Daily Report

Latin America

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Further on Regional Foreign Ministers Meeting

FL0102015492 Bridgetown CANA in English 1836 GMT 31 Jan 92

[Report by Wesley Kirton]

[Text] San Pedro Sula, Honduras, Jan 31, CANA—Honduras President Rafael Leonardo Callejas has called for a study of what would make a Caribbean Community [Caricom]/Central America free trade agreement easy to operate. Speaking at the opening session of the first meeting of ministers of foreign affairs of the Caricom and Central American regions, Callejas said that a free trade zone would guarantee an intra-regional market of more than 48 million consumers and more that 50 billion U.S. dollars worth of trade each year.

"Naturally, the establishment of that free trade zone would have to confront obstacles that must be overcome. But the magnitude of such problems is really small when compared to the advantages that would derive from such an arrangement," he told delegates attending the meeting in this industrial city on the norther Caribbean coast.

The president said the two regions should strive for economic integration and use it as an effective tool for development and modernisation. Both Callejas and Belize Prime Minister George Price, speaking on behalf of Caricom member countries, urged intensified functional co-operation between the two regions to combat the growing problems confronting the economies of Caricom and Central American nations. They also suggested the meeting agree on mechanisms to promote co-operation so that the basic human needs of the people of the two areas could be satisfied and their quality of life improved.

Price said Belize was uniquely positioned to see and feel the strengths and weaknesses of both regions, which could achieve more by working closer together.

"The Caribbean and Central American communities face a changing world. Some of these changes are for the better," he remarked. "We can best serve the peoples of our regions when we put to good use the opportunities now offered. We face a competitive world in a weak position because of our small economies. Our two regions can achieve more when we work together for the welfare and progress of our people. We do so when the public and the private sectors combine their productive and enterprising skills in order to improve our economies," the prime minister said.

Foreign ministers from Central America and the Caribbean Community held two rounds of talks here Thursday. They agreed to the establishment of a joint technical mission to study the implication of a free trade zone for the area.

Co-chairman of the meeting Belize Foreign Minister Said Musa said such a study was critical bearing in mind the special circumstances and vulnerability of some states. He said Caricom while committed to the idea of a free trade zone "feels justifiably that we must be cautious in our approach because we haven't looked at this issue in as great detail as the Central Americans have.

"The Central Americans have been more enthusiastic in terms of moving ahead with a free trade zone and we also feel there is room to move ahead as well but the question is that we in Caricom need to iron out some details so as to ensure the process can be smooth," Musa told the CARIBBEAN NEWS AGENCY.

He reported also that agreement had been reached for a meeting of banana growers of Caricom and Central America to follow-up on the Belize meeting held earlier this month. This meeting, to be held in Costa Rica within weeks, will seek to arrive at a common position on the banana issue.

Musa said the meeting discussed common strategies in dealing with the North American Free Trade Agreement (NAFTA) and the single European market and there was agreement on a number of strategies the two regions could adopt in addressing these developments.

On the political front Musa disclosed that the meeting will pass a special resolution on Haiti condemning the recent threat on the life of prime minister designate Rene Theodore and the killing of innocent Haitians.

He said the meeting discussed ways of tightening the embargo imposed by the foreign ministers of the Organisation of American States (OAS) so as to prevent further breaches.

"We reinforced our position on the need for the restoration of democracy in Haiti and indeed the restoration of the presidency of Jean-Bertrand Aristide," Musa said.

Meanwhile, OAS Secretary General Baena Soares told CANA the organisation was waiting for the senators and deputies in Haiti to vote on the nomination of the new prime minister so that the process of negotiation could go on. "I hope next week we could resume the negotiation process so that the resolutions passed could be implemented fully," he said.

Soares disputed speculation that the U.S. decision to recall its top envoy from Haiti was a prelude to military action in Haiti aimed at attempting the boost the image of U.S. President George Bush in the lead up to November elections.

"The use of force is not being discussed. The United States recalled its ambassador in response to an act of violence against Rene Theodore and other political leaders in Haiti. This resort to violence is not acceptable and the permanent council of the OAS has condemned this," the secretary general said.

Soares said he viewed the current Caricom/Central America foreign ministers meeting "with great optimism." He added: "I think it it is important for both regions to join forces in an international situation that

requires common efforts and I hope this will serve to strengthen the regional integration efforts as well as our inter-American organisation."

Communique Issued

PA1202040592 San Pedro Sula LA PRENSA in Spanish 1 Feb 92 p 3

[Communique issued by the Caribbean Common Market, Caricom, and Central American foreign ministers; in San Pedro Sula, Honduras, on 31 January]

[Text] The foreign ministers of the Caribbean Community member states and the Central American states:

Reasserting the principle of respect for human rights and the defense of these rights within a framework of democracy, peace, development, and liberty;

Reasserting their endorsement of the UN Charter, the OAS Charter, and their international pledges to cooperate for the solution of political, economic, social, cultural, or humanitarian issues;

Recognizing that the geographic proximity, mutual interests, and democratic nature of their respective governments represent a solid basis for strengthening relations between the two regions;

Pleased about the admission of Belize and Guayana into the OAS;

Stating their satisfaction with the recent establishment of diplomatic relations between Belize and Guatemala, something that symbolizes historical progress in the political relations between two countries in the region;

Aware of the need to increase the exchange between Caribbean and Central American countries due to the historical ties between the peoples in the two regions;

Convinced of the considerable potential which exists to sponsor the welfare of their peoples through the identification and joint implementation of measures, actions, programs, and cooperative projects in areas of mutual interest and benefit in the political, economic, social, and cultural sectors;

Asserting their pledge to establish a permanent mechanism of consultation and coordination between the two nations; to increase and strengthen contacts at different levels; to develop cooperation in the political, economic, trade, social, cultural, scientific, technological, and ecology sectors; and to support integration processes;

Determined to offer their mutual support for the efforts exerted by their respective countries and regions to attain a more effective presence at the international level;

Convinced of the benefits that may be derived from the increase of economic and commercial ties between the Caribbean and the Central American Isthmus;

They agree to issue the following joint communique:

1. By a joint initiative of Honduran President Rafael Leonardo Callejas Romero and Belizean Prime Minister George Price, with the support of the Central American presidents at the summits held in San Salvador and Tegucigalpa as well as of the 12th Meeting of the Conference of Heads of State of the Caribbean Community in St. Kitts and Nevis held in 1991, the foreign ministers of the Caribbean Common Market (Caricom) and of the Central American Isthmus met for the first time in history in the city of San Pedro Sula from 29 to 31 January 1992. They met to exchange views on the political and economic challenges they are facing, to review their needs, to identify areas of mutual interest and benefit, and to establish a permanent mechanism to promote greater cooperation between both regions in the following areas:

i. Joint initiatives in the economic, scientific, technological, and cultural fields, including cooperation in the fields of transportation, tourism, environment, natural disasters, and the fight against drug trafficking.

ii. Political and social matters that may emerge in regional and international institutions of importance.

iii. Regional and international trade in areas of common interest and benefit as well as investment matters.

iv. The strengthening of diplomatic contacts among states.

2. The ministers agreed to take measures to promote cooperation between the two regions aimed at improving their negotiating capabilities with regard to third countries and groups of countries in areas of common interest and benefit as well as to promote socioeconomic development and ensure a more active presence of their regions and countries in the international arena.

3. The ministers also agreed to establish a Caricom/Central American Consultation Forum at a ministerial, technical, or other level. In this regard they agreed to hold the forum meetings at the ministerial level at regular intervals as appropriate.

4. The ministers agreed to invite other countries of the Caribbean Basin to the meetings of the forum according to the agenda that may be adopted. They also agreed to help the private sector of both regions to promote the development and strengthening of direct ties between them as well as to participate in the forum whenever necessary.

5. The ministers agreed to establish a systematic mechanism of follow-up and coordination that will operate within the guidelines defined by their respective foreign ministries through their permanent missions at the OAS, the United Nations, the Latin American Economic System (SELA), and other agencies. This mechanism will operate in areas of common interest and benefit by

exchanging information, carrying out joint actions, promoting regional and national common interests, and evaluating the results of cooperation agreements.

6. The ministers also agreed that the following subjects should be given priority attention at the Consultative Forum.

—Exchange information and experiences regarding the Initiative of the Americas, the North American Free Trade Agreement (NAFTA), and the Caribbean Basin Initiative. Identify common interests that can be developed jointly in those areas.

—Identify measures and projects to increase the flow of information and cultural exchanges between the two regions; improve communications and contacts among educational institutions in the area; and develop linguistic capabilities, tourism, technology, and sports in both regions.

—Joint analysis of strategies to develop trade and economic ties between both regions.

7. The Central American and Caricom foreign ministers exchanged views on the recently created Central American Integration System, which represents a significant advancement in their integration process; the Caricom foreign ministers showed great interest in the system.

8. The ministers agreed to ask the institutions responsible for integration in their respective countries to begin technical studies aimed at increasing trade between both regions.

9. The ministers expressed their sincere gratitude to Honduran President Rafael Leonardo Callejas, his government, and the Honduran people for their warm and generous hospitality during the meeting and for the excellent organization, which helped make this first meeting between the two regions a great success.

San Pedro Sula, Honduras, 31 January 1992.

Meeting Ends

PA0102145192 Panama City ACAN in Spanish 0051 GMT 1 Feb 92

[Text] San Pedro Sula (Honduras), 31 Jan (ACAN-EFE)—On 31 January, a spokesman said the first Central American and Caribbean Common Market (Caricom) conference had been "a diplomatic success and one that will initiate further rapprochement between both regions." No basic agreements were made at the conference.

The event was attended by foreign affairs and economic ministers from 23 countries—17 from the Caribbean region and six from Central America—and was coordinated by Foreign Ministers Mario Carias Zapata (Honduras) and Said Mussa (Belize.)

"Current history joins us to confront one of the biggest commercial and political challenges in the world," Mussa asserted.

At a news conference, in which the foreign ministers of Jamaica, Dominica, Costa Rica, and Guatemala also participated, the creation of a consultation forum between the regions was highlighted as one of the event's main achievements.

The forum will meet at a ministerial level and will be complemented with a permanent liaison between Caricom and the Secretariat of Central American Economic Integration.

Costa Rican Foreign Minister Bernd Neihaus stated: "This is a mechanism to strengthen our diplomatic and cooperative ties."

The cooperation sphere includes economic, commercial, and diplomatic aspects, such as having joint positions at the United Nations, the OAS, the Latin American Economic System, and the GATT.

The attendants at the conference were not able to further the Central American request for Caricom to support their search for a greater commercial opening with the EC, especially in banana exports.

Another pending matter was to clearly define the position they will take regarding the possible signing of a free trade agreement with North America.

"We have many political challenges before us and we have just started. We have, however, advanced by adopting common strategies that will lead us to fuller integration," Mussa stressed.

At the end of the two-day meeting, the date and place of the next ministerial meeting was not announced, but it is assumed a Caribbean country will host the next conference.

Cuba

Magazine Director 'Unexpectedly Dismissed'

PA3101145792 Mexico City NOTIMEX in Spanish 0035 GMT 31 Jan 92

[Text] Havana, 30 Jan (NOTIMEX)—Jesus Hernandez, the director of the two most important magazines published by Cuba for circulation abroad, was unexpectedly dismissed from his job on 30 January.

Still astonished, the man in charge of PRISMA LATINOAMERICANO and CUBA INTERNACIONAL, who was also vice president of the Cuban press agency PRENSA LATINA until 30 January, informed his fellow workers about his dismissal from his post at the two magazines.

PRISMA LATINOAMERICANO and CUBA INTERNACIONAL are edited by PRENSA LATINA. Both have a large clientele in some Latin American countries. They are primarily financed by Cuban institutions such as Cubana Airlines and by foreign enterprises, especially from Spain, that advertise in the two magazines.

PRISMA LATINOAMERICANO publishes material concerning Latin American countries. CUBA INTERNACIONAL focuses on the island's problems from the Cuban point of view.

There is no report yet on who will replace Jesus Hernandez.

Castro Tours Multiple Crop Enterprise in Havana

FL3101183492 Havana Radio Reloj Network in Spanish 1502 GMT 31 Jan 92

[Text] On the afternoon of 30 January, Commander in Chief Fidel Castro once again visited the Guira de Melena Multiple Crop Enterprise in Havana to check on the progress of the food program in the province. This is the fourth visit the highest leader of the Cuban revolution has made so far this year to this Havana enterprise. He also visited several camps while he was there.

Fidel visited the Little Rose Mobilization Camp where he spoke with students studying chemistry and mathematics at the University of Havana about the completion of plans, the attention they receive, production rates per man, and the benefits of the work campaign.

The president of the Council of State and Ministers also toured the Victory Smiles Camp, where members of the Foreign Ministry and other organizations work.

Transportation-Easing Job Swaps Begin 3 Feb

FL3101163592 Havana Radio Progreso Network in Spanish 1200 GMT 31 Jan 92

[Text] Job swaps, legalized by the State Committee of Work and Social Security to ease the transportation situation, will begin to take effect on 3 February. It deals with the voluntary swapping of jobs among workers who do equal or similar work, or who have similar occupations or positions in different enterprises or in basic units and entities of one enterprise.

Swapping will also be allowed between workers who are contracted for an indefinite period of time and among workers of fixed time contracts, who because of exceptions in the current legislature, have been permitted to settle their contracts dealing with activities of a permanent nature.

Robaina, Others Visit Law Enforcement Facilities

FL0102031592 Havana Tele Rebelde and Cuba Vision Network in Spanish 0100 GMT 1 Feb 92

[Text] Members of the National Executive Committee of the Union of Young Communists [UJC] have held a meeting with young Ministry of the Interior soldiers of Havana's internal order units with the purpose of exchanging views on the current situation of the country and the work of the UJC.

Roberto Robaina, member of the Politburo and first secretary of the UJC, and other members of the national bureau began the visit at the technical investigation department, which is the most specialized unit in the fight against crime. Here, he was thoroughly briefed on the duties of this center [passage indistinct] and the current crime situation in Havana City. Basically, they were briefed on several operations conducted by the National Revolutionary Police in the last few years and were given details of certain cases, most of them already closed, which show the effectiveness of police work.

Later, the group visited the provincial criminology laboratory, which has a mostly young labor force. The work of the various sections and fields was explained in detail to the them. The visitors were amazed by the composite drawing technique. They were also treated to demonstrations of canine training and personal defense.

At the Combinado del Este Prison the group was briefed on the structure of the center and care of the prisoners. Here, Robaina, talked with several prisoners and showed interest in the treatment they receive, their medical care, and the rehabilitation work to later reenter society.

At the Arroyo Naranjo Municipality, the members of the UJC Executive Committee were briefed on police operations and talked with local residents.

[Begin Robaina recording] I believe that the most important and encouraging part of the visit is to see how ties between the people and the internal order are developing at the neighborhood level, how everyone begins to join in finding solutions to those problems, and how crime rate and all these things are decreasing. The other thing that is important to us is that this will serve as an element during the discussion that we want to conduct at the congress. I believe that the most important thing is that we have begun joint efforts and have honestly tried to find a formula to not only say that the people and the

Ministry of the Interior work together but also that we want to define what the people and the ministry should do, and in a particular case, do whatever is required from us. In coordination with the internal order, we want to be where the problems are. Regarding what we have heard about soft spots, we want to be part of the hard parts that fight these soft spots. We want to be included. Today, we have had the privilege of finding out that they can include us, want to include us, and the most encouraging part, that we, also, want to be part of these troops. [end recording]

Havana Assembly Appoints Provincial Court Judges

FL3101205192 Havana Radio Rebelde Network in Spanish 0000 GMT 31 Jan 92

[Interview with Maria Ducas Negret, member of the National Assembly of People's Government, by correspondent Heidi Gonzalez Cabrera; place not given—live]

[Excerpt] [Gonzalez] The sixth special session, sixth term, of the Provincial Assembly of the People's Government of Havana City has just concluded. During this session, 82 lay, professional, and alternate judges were elected to the Provincial People's Tribunal. The opening of criminal court chambers at the People's Council level was announced. Undoubtedly, this will expedite trials to support the fight against crime.

We are going to talk, precisely, about this subject with Maria Ducas Negret, deputy and member of the constitutional and legal affairs commission of the National Assembly of the People's Government and president of the People's Council No. 4 of the Quemado, Buen Retiro, and Libertad neighborhoods.

Maria, how is the criminal court chamber progressing in your area?

[Ducas] Well, I can tell you that it is a great achievement for our council that besides the opening of the criminal court chamber of the People's Council, we are also going to open the criminal court chamber of our council. This chamber of the People's Court will be located in Santa Felicia, in circumscription No. 40 of delegate Mario del Canto.

[Gonzalez] On what date are you planing to open or has a day been selected?

[Ducas] Yes, the day selected is 1 February.

[Gonzalez] In all municipalities in the country?

[Ducas] In all.

[Gonzalez] Rather, in all the People's Councils of Havana, to be more precise. [passage omitted]

Unions Called To Join Energy-Saving Plan

FL3101232192 Havana Radio Reloj Network in Spanish 2050 GMT 31 Jan 92

[Text] Grass-roots organizations of the National Chemical, Mining, and Energy Industry Workers Union will urge its members to comply with their household electric quotas as part of the initiatives to promote savings. Manuel Menendez, secretary general of the union, pointed out that its members have to become top leaders in the fight to save energy which the country is conducting. He pointed out that the example should begin at home because, precisely, the workers of this sector have the important responsibility of providing consumers and the national economy with the fuel and energy required in accordance to the strategy drafted by the government for this period.

A document, which urges members of the Ministry of Basic Industry to commit themselves to the fight for savings, is being discussed in the union section of the work centers.

More on Energy Reduction

FL0102155892 Havana Radio Reloj Network in Spanish 1503 GMT 1 Feb 92

[Text] The National Association of Innovators and Efficiency Experts [ANIR] is promoting ideas on the reduction of energy consumption among its members in Havana City. The prioritized work to increase the utilization of alternative energy sources is also part of an action plan to confront the difficulties of the current special period.

Innovators and efficiency experts from the capital are working in preparation for the Seventh National Forum of Spare Parts, Equipment, and Advanced Technology scheduled for the end of the year. The analysts are also working on prioritized matters to find solutions to certain needs for the construction of public shelters, and supporting the food industry, mainly through maintenance activities.

Carlos Aldana Visits Camaguey, Praises Workers

FL0102002692 Havana Radio Reloj Network in Spanish 2102 GMT 31 Jan 92

[Text] Carlos Aldana Escalante, a member of the Communist Party of Cuba Politburo, has toured several economic facilities in the Santa Cruz del Sur Municipality, Camaguey Province, where he observed efforts to cope with this phase of the special period. The political leader saw efforts in the preparation of the workers' meals with products obtained through self-sufficiency programs located in an area known as La Polka, at the Jesus Suarez Gayol Agroindustrial Complex.

During talks with local workers, Aldana promised to relay to Commander in Chief Fidel Castro the certainty

that in this southern Camaguey region, there are men and women willing to move ahead during this difficult but glorious period.

Carlos Aldana's tour of Santa Cruz del Sur also included a visit to the modern animal feed factory for shrimp farming, the only one of this kind in Cuba which is already operational.

Education Minister Lezcano Attend School Event

FL3101232292 Havana Radio Reloj Network in Spanish 2040 GMT 31 Jan 92

[Text] A delightful political-cultural event was held this morning on the grounds of the Lenin Vocational School to celebrate the 18th anniversary of the creation of the school, which is now known as the Exact Sciences Pre-University Vocational Institute. The student's show persuaded Education Minister Luis Ignacio Gomez and Havana's top party leader Jorge Lezcano to concur in suggesting that the show should be staged again in a bigger forum for the enjoyment of all people.

During the ceremony it was mentioned that the school has graduated in its 18 years, more than 12,200 students with such quality that last year 94 percent of its student enrolled in college.

Work and study is part of the whole training provided by the institute, which is expected to be self-sufficient in tubers and vegetables by next year.

CDR Tends 15,000 Family Gardens in Havana

FL3101163992 Havana Radio Reloj Network in Spanish 1509 GMT 31 Jan 92

[Text] The Committees for the Defense of the Revolution [CDR] in Havana are caring for more than 15,000 family gardens planted in yards and approximately 300 neighborhood gardens. The neighbors share in the care of these gardens in order to be self-sufficient in vegetables, spices, and other products.

Even though these gardens do not completely solve the food supply problems of the populace, they show a considerable effort made by the people to boost the food program. The areas with the most outstanding results in the task are: Mariel, Guines, San Jose de las Lajas, and Melena del Sur. This program has been implemented throughout the 19 Havana municipalities as efforts continue to increase.

According to Carlos Fidel Hernandez, member of the CDR Secretariat in Havana, the Guira de Melena and Bauta Municipalities have fulfilled their collection goals for the Territorial Troops Militia, a very important element of our country.

Foreign Trade Minister Concludes Visit to China

FL0102182692 Havana Radio Reloj Network in Spanish 1707 GMT 1 Feb 92

[Text] Today, Foreign Trade Minister Ricardo Cabrisas concluded his working visit to China prior to the fourth joint intergovernmental bilateral session which will be held in Havana. During his visit to Beijing, the foreign trade minister met with Tian Jiyun, Chinese vice premier of the State Council, who will head the Chinese delegation to the meeting scheduled in Havana on 16 and 17 February.

Ricardo Cabrisas, as president of the Cuban Cuban Friendship with China parliamentary group, met with [Zao Wang], vice chairman of the Standing Committee of the National People's Congress, who heads the same parliamentary group in China. The foreign trade minister also spoke with Acting Chinese Foreign Minister [Tian Zengpei], and with corporate executives who conduct commercial transactions with Cuba.

Leaders Return From 'Solidarity Event' in Brazil

PA0302041592 Havana Radio Havana Cuba in Spanish 0000 GMT 3 Feb 92

[Text] The members of a high-level Cuban delegation that participated in a Cuban solidarity event in Brazil said the moral example of the Cuban revolution has been preserved in Latin America.

Upon their return to Havana, the members of the Cuban delegation pointed out that during their stay in different parts of the Latin American country, they strongly felt the gestures of solidarity toward Cuba.

The friendly Cuban-Brazilian event took place in the area of Niteroi in the city of Rio de Janeiro. One of its objectives was to collect funds to restore a street in Havana; the street is named Brazil.

The Cuban delegation was composed of Abel Prieto, member of Politburo of the Communist Party of Cuba; Vilma Espin, president of the Federation of Cuban Women; Carlos Dotres, director of the Havana Pediatrics Hospital; Alfredo Guevara, also a member of the Central Committee; and other leaders.

Armenian Children Complete Medical Treatment

FL0102000892 Havana Cuba Vision Network in Spanish 2320 GMT 31 Jan 92

[Text] Nine Armenian children who have been in Cuba since November 1991 have completed their medical treatment. They suffered injuries in the earthquake which shook Armenia in 1988. Thousands of people died and many more were left homeless. Some, including children, spent days under the rubble. Rescue operations took weeks. It is now three years since the earthquake in Armenia, and a group of children, aged eight to 14, have received in our country the medical care they needed to live useful lives. Dr. Rodrigo Alvarez Cambras and a

group of orthopedic specialists have succeeded in changing the expressions on these children's faces.

Italian Delegation Pays 'Friendship Visit'

FL0102190292 Havana Radio Rebelde Network in Spanish 1800 GMT 1 Feb 92

[Text] Top government representatives of the Italian Province of Savona are paying a friendship visit to the Isle of Youth today. They also participated in the signing of a protocol of understanding with Havana City.

The Isle of Youth directly participates in the protocol of intention signed by Havana City. At the end of the tour there will be an official signing of the protocol by government representatives from both regions. The protocol includes specific sections concerning cultural, scientific-technical, health, tourism, and commerce exchanges.

Economy, Unemployment Figures in Russia Noted

FL0102025792 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 1 Feb 92

[Text] National income in Russia will drop by 14 percent in the first quarter of 1992 in comparison with the same period in 1991, while the number of unemployed people will reach about 20 million people by December. A report issued today by experts of the (Macroecon) Research Center states that the drop in social production will total between 30 and 35 percent by the end of 1992, and considers that prices are unlikely to stabilize during the first quarter. The research indicates that the volume of net industrial production will drop by 11 percent, and wholesale prices will rise by almost 500 percent in the first quarter. Likewise, the report predicts an increase in the recession in the oil industry, electricity production, the non-steel metal industry, and agriculture.

Inter-Caribbean Affairs

Eastern Caribbean States Leaders Hold Summit

FL3101162992 Bridgetown CANA in English 1312 GMT 31 Jan 92

[Text] Castries, St. Lucia, Jan 31, CANA—Political leaders of the seven-nation Organisation of Eastern Caribbean States were resuming talks here Friday. On Thursday, when the summit opened, Montserrat promised "fresh ideas" to the OECS and urged greater commitment to the process of regional integration.

The 20th meeting of the heads of governments of the Organisation of Eastern Caribbean States also began with St. Lucia expressing regrets about developments in Haiti. Prime Minister John Compton said while the Caribbean was committed to democracy, it was still witnessing "the reversal of this process in Haiti."

"In this region we have seen the almost total collapse of non-democratic regimes and the spread of democracy, but we have also witnessed the reversal of this process in Haiti, and the weak and inadequate response of the Organisation of American States to this tragedy," he said. "Our Caricom (Caribbean Community) region has not spared the effects of these events," he added.

Haiti's Army in September last year ousted the country's first ever democratically elected head of state, Roman Catholic priest Jean-Bertrand Aristide. Aristide has since been living in exile in Venezuela and visited a number of Caribbean states in a bid to whip up support for his return.

OECS Chairman and Grenada's Prime Minister Nicholas Brathwaite said as free democratic states, the OECS "condemned the blatant disregard for the constitutional rule of law and the utter disrespect for the democratic process of election by the ballot." Brathwaite said that while the sub-region was "proud" to have welcomed Aristide to its shores recently, it was regrettably unable to accommodate fleeing Haitian refugees.

"It is regrettable that because of our inadequate infrastructure, none of us has been able to accommodate any of the displaced Haitians who are fleeing their country to seek a better life," he said. "This does not mean that we have distanced ourselves from the problem of the Haitian refugees," he added.

One major talking point at the summit is expected to be a controversial Common External Tariff (CET) in Caricom. Some countries have introduced the tariff, while others have delayed its introduction amidst complaints that it would cause a rise in the cost of living.

Brathwaite said: "OECS states which have implemented the Caricom CET and those which have not must adopt a common OECS position about it and stick with it since we cannot vacillate about this matter." He said the CET—a tax structure protecting Caricom products against imports from third countries—would be a major talking point at next month's Caricom Council of Ministers meeting.

"The OECS position about the Caricom CET is based on the fact that the CET raises the general level of protection in the OECS which runs contrary to an OECS export-oriented strategy for development, and also to the world trends in trade liberalisation," he said.

Bratwaite said the OECS felt a lowering of the tariff levels with the CET structure "would be of great benefit to both OECS states and the more developed countries of Caricom, most of which are undergoing structural adjustment programmes."

"The Jamaica meeting will be a real test of the mantle of our maturity and leadership within Caricom. For once we are in a good position to lead and not to follow," the Grenada leader remarked. Brathwaite said that with the efforts towards a single OECS market, it was important for the grouping to re-examine the CET, "since a CET is one of the main requirements for a single market."

Summit Ends

FL0102021392 Bridgetown CANA in English 2126 GMT 31 Jan 92

[Report by Peter Richards]

[Text] Castries, St. Lucia, Jan 31, CANA—The 20th summit of the Organisation of Eastern Caribbean States (OECS) ended here on Friday, with sub-regional leaders describing the event as "very successful."

"I would say that it was a very successful meeting in terms of the atmosphere, in terms of the give and take which was exhibited and in terms of the decisions taken...," Grenada's Prime Minister Nicholas Brathwaite told CANA. Brathwaite, the chairman of the seven-nation grouping said that the establishment of an OECS single market was among the main agenda items discussed over the two-days.

"The fact is that we recognise that there is need for more background study to be done in order for us to discuss this in an objective and meaningful way."

He said the leaders had requested the Antigua-based Economic Affairs Secretariat and the Eastern Caribbean Central Bank to prepare "some documentation... with information which we would use to analyse the situation further when we meet in Montserrat in June."

Brathwaite said that the leaders were not committing themselves "too much to a target date," indicating that "we believe that in some instances in the past... there might have been too much of an urgency to set target dates."

"When you set target dates, you are pressed into meeting that date and you do not give sufficient consideration to the issue," he added.

Regarding the OECS position on the controversial Caribbean Community [Caricom] Common External Tariff (CET), Brathwaite said that the meeting "did not spend that amount of time here except to generally exchange a few bits of information in accordance with the experiences with those who have already implemented it."

He said the leaders felt that the issue, which is to be discussed in Jamaica when Caricom heads meet there mid-February, will allow them to have a clearer position on the measure which is aimed at protecting Caribbean products from third country competition.

"I could say (however) we are going there with a common position on the CET in terms of responding to requests we believe will come from other Caricom members."

Brathwaite said that the More Developed Countries [MDC's], forced to implement various structural adjustment programmes and devalue their currencies, "were putting pressure on the sub-region."

"The fact is size is no determinant of economic success, the less developed countries as we were called have a much stronger position now than the MDC's.

The Grenada prime minister said that the meeting accepted an East Caribbean Central Bank paper regarding a strategy for the sub-region in the future.

Brathwaite said that the OECS had ratified a recent, economic, social, and cultural agreement signed between the sub-region and Puerto Rico.

"We agreed that there was need to establish closer relations with the French Departments, although we were a bit uneasy about an increase in the charge of visas issued to travel to those countries." French officials said that the increase was as a result of a European Economic Community stipulation, as Europe moves towards a single market.

Brathwaite said that relations with Venezuela and Colombia would also be strengthened. "The fact is, Venezuela is the one closest to us, it has instituted a free trade arrangment... but the meeting agreed when we are talking about Venezuela we should also be talking about Colombia," he said. "Latin America on a whole is a very important area for us," he added.

Brathwaite said that the leaders agreed to joint diplomatic representation in Brussels by July. Grenada would become a part of the OECS London mission by July 1, "and we are looking into the situation with regards to Venezuela."

"Generally speaking there is broad support for doing everything possible to go into joint missions in other parts of the world," he told CANA.

The OECS groups the islands of Antigua and Barbuda, Dominica, Grenada, St. Lucia, St. Vincent and the Grenadines, St. Kitts and Nevis, and Montserrat. OECS director general, Dr. Vaughn Lewis said that a communique on the meeting is likely to be issued over the weekend.

Haiti

Policeman Killed in Capital; Streets Patrolled

FL3101210892 Port-au-Prince Radio Metropole in French 1500 GMT 31 Jan 92

[Text] A policeman was killed last night in the area of Martissant. His body was found in a gutter. Military detachments are now patrolling the entire neighborhood of Martissant and bursts of automatic gunfire have been heard. We do not know if there are any casualties.

Deputies Form Special Political Crisis Committee

FL3101234992 Port-au-Prince Radio Metropole in French 1700 GMT 30 Jan 92

[Report by correspondent Rotchil at the Chamber of Deputies—live]

[Text] [Announcer] The parliament is holding discussions today on the creation of an arbitration committee in charge of devising a solution to the Haitian political crisis. This follows the deputies' refusal to take part in the tripartite arbitration committee.

[Rotchil] The formation of the bicameral committee proposed by the Senate concerning the crisis is now in a real deadlock. This Senate's proposal is facing the deputies' fierce opposition. For these lawmakers, it is out of the question to take part on such a committee. The deputies are emphatic. They think that this plan is a trap. Even yesterday, a resolution, proposed by Deputy Lambert, on a possible meeting of the two chambers on the matter was again rejected. The deputies, while meeting in assembly yesterday, decided to form a special committee within the lower chamber with the mission of formulating a document to serve as a guide for the deputies during the resumption of possible negotiations on the Haitian crisis. Deputy Samuel Madistin speaks on this point.

[Madistin] The Assembly decided to form a special crisis committee in conformity with Article 39 of our internal rules. This committee will be in charge of formulating a crisis document to possibly assist the deputies' delegation on a trip to Washington.

[Rotchil] When will that committee be formed?

[Madistin] Three deputies have already been chosen to be part of this committee. They are the lower chamber President Deputy Alexandre Medard, Deputy Dully Brutus, and Deputy Joseph Lambert. We are expecting three other members who will be from the National Front for Change and Democracy, FNCD, from the CDN group [not further identified], and also Deputy Antoine Joseph from the Movement for the Establishment of Democracy in Haiti, MIDH, to be part of that committee.

The resolution voted last week by the Senate included two sections: First, the formation of a senatorial commission to consult with the concerned sectors of national life on the crisis. In paragraph two, the deputies were supposed to join the senators on this committee. The deputies voted against all participation on that committee. According to Senator Rony Mondestin, this decision does not prevent the senators from pursuing the talks. The senators were due to meet today with the president of the Cassation Court, lawyer Emile Jonassin, to listen to his views on the situation.

Senate Begins Talks

FL3101215392 Port-au-Prince Radio Metropole in French 1145 GMT 31 Jan 92

[Excerpt] Conflicting language has been used for two days at the parliament to speak of negotiations on the one hand [words indistinct] on the other. Senators and deputies are working at this time on the Haitian political crisis. Yesterday, the senators opened the first of discussions on the four-month-old crisis. The guests included prominent state bodies beginning with members of the Court of Cassation, the Superior Court of Accounts, and the Haitian Armed Forces General Staff. However, President of the Court of Cassation [Emile Jonassaint] did not answer the senators' call yesterday. Lawyer [Emile Jonassaint] explained that the Ministry of Justice's organizational outline did not authorize him to participate in such a debate.

At the lower chamber, the deputies are in favor of the negotiations for the moment. On that score, a committee has been formed to work out a basic document for the negotiations. Three deputies have already been designated to be part of that committee. They are Chamber of Deputies President Alexandre Medard, Deputy Duly Brutus, and Deputy Joseph Lambert. [passage omitted]

Court President, Gen. Raoul Cedras on Crisis

FL3101232392 Port-au-Prince Radio Tropic FM in French 1630 GMT 31 Jan 92

[Text] Max Pean, the president of the Supreme Court of Audit and Administrative Litigation, has refused to comment on the Haitian crisis in the name of the institution that he heads.

[Begin Pean recording] Indeed, the Supreme Court of Audit and Administrative Litigation can—at the request of the senatorial committee—present a written report that would perhaps.... [changes thought] that would analyze the consequences of this crisis situation on a financial and economic level. This can be done. But as for giving the opinion of the Supreme Court of Audit on the crisis situation, on the political crisis, I believe that as an institution we cannot give our opinion on the crisis. [end recording]

Yesterday, Max Pean was received by the senatorial committee convened to find a negotiated solution to the Haitian crisis.

General Raoul Cedras, the commander in chief of the Army was also received by the same committee yesterday and stated, quote, a solution must inevitably be found to the Haitian crisis provided that each Haitian shows understanding to save the country, unquote.

Radio Correspondent Arrested in Petit-Goave

FL3101221792 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 31 Jan 92

[Excerpts] We also learned yesterday that the military in Petit-Goave arrested our colleague Dejean Louis. According to the information that we received, following a newscast that Dejean Louis gave on 29 January, a soldier went to his home to look for him, but he was not in. When he learned of this visit, Dejean Louis went to the Petit-Goave barracks with a relative to inquire as to why the soldier went to his home. It was at this time that the military arrested him.

According to the information provided by the court of peace in Petit-Goave, we learned that two citizens including Roland Alcindor and Wilfrid Alexis had initiated, a few days ago, a summons against Dejean on a charge of slander on Radio Soleil. But the correspondent did not appear before the judge for security reasons. Petit-Goave Justice of the Peace Jean-Riviere Jose, who we contacted on the phone, told us that the police arrested Dejean Louis for his own protection and also because he refused to comply. [passage omitted]

But we have learned that after we listened to Dejean Louis yesterday, the justice of the peace jailed him.

El Salvador

ARENA's D'Aubuisson Reportedly Dies 31 Jan

PA0102152292 San Salvador Radio Cadena YSU in Spanish 1447 GMT 1 Feb 92

[Text] At the site of the El Salvador International Fair, political leaders and several deputies have received confirmation of the report that Major Roberto d'Aubuisson died on 31 January at the Diagnostico Center. It is expected that the Nationalist Republican Alliance [ARENA], of which d'Aubuisson was president for life, will confirm this most important report soon.

Maj. d'Aubuisson was 48. He died of throat cancer that had kept him in an intensive care room of the Diagnostico Center for 26 days.

According to reliable sources, including several deputies, on 31 Janaury, Maj. d'Aubuisson was unable to overcome a crisis and died.

Cristiani, Minister Marquez Hold News Conference

PA3101233392 San Salvador Radio El Salvador Network in Spanish 2215 GMT 30 Jan 92

[News conference by President Alfredo Cristiani and Planning Minister Mirna Lievano de Marquez at the Presidential House in San Salvador with unidentified moderator and foreign and domestic correspondents—live]

[Text] [Moderator] Planning Minister Mirna Lievano de Marquez now has the floor.

[Marquez] Good afternoon, everyone. As you all know, several months ago, when progress in the negotiating process was reported, the government took the initiative to begin drafting a national reconstruction plan. The government was convinced that the success of such a plan would depend on the active partic ipation of all sectors of national life. We considered it important to be ready for the possibility of reaching a peace accord, as has indeed occurred. In this regard, we are prepared to face the task of reconstruction.

We began by learning from the experiences of different countries that have had to face internal conflicts and are now implementing reconstruction programs. This was very useful as we were able to learn about the needs of the postwar period, the kinds of programs that must be implemented, and obviously the need to incorporate former combatants into productive civilian life.

We began by assessing the damage sustained by the country during these years of conflict. We estimated that the direct costs of the damage inflicted on the economic and social infrastructure of the country totaled more than $1 billion. The cost of repairing such infrastructure is estimated at $1.8 billion. This figure on the damage caused by the conflict shows the magnitude of the effort needed to rebuild the country.

The reconstruction plan has four basic objectives:

1. To facilitate the return of former combatants and the population affected by the conflict to productive civilian life.

2. To improve the social, economic, and environmental conditions of the geographical areas most affected by the conflict.

3. To rebuild the basic, social, and productive infrastructure that was damaged or destroyed during the conflict.

4. To promote with solidarity the participation of all sectors of national life in the national reconstruction effort. This is perhaps one of the most important objectives.

The strategy of the plan clearly establishes the need to incorporate nongovernmental organizations, community organizations, and all Salvadorans who want to participate in this reconstruction effort. The plan has identified the population that will be targeted by this effort as well as the territory.

Within the target population, four groups have been identified:

1. The demobilized population, made up of former Farabundo Marti National Liberation Front [FMLN] and Armed Forces combatants, as established by the peace accords.

2. The displaced population, which was forced to abandon homes and workplaces as a result of the conflict. Many of these people would probably be willing to return to their hometowns or join the productive life in other areas of the country.

3. The repatriated population; namely, those persons who were forced to leave the country and live in neighboring countries. Some of them have already returned with the support of the UN High Commission for Refugees [UNHCR], while others will return shortly.

4. The poor who reside in areas most affected by the conflict. We believe it is very important that this reconstruction plan maintains a principle of justice.

Knowing that the sole concept of target population is not enough but that it is also important to take care of the villages and geographical areas most affected by the conflict, all those villages and municipalities that have suffered the effects of these years of conflict have been identified as target areas for the reconstruction plan. Approximately 100 municipalities have been identified as target areas for the plan. In some municipalities violence has been more frequent, while in other areas violence has occurred occasionally. In any event, these municipalities also need to be included in the reconstruction effort.

The reconstruction plan includes two phases: One phase is the the contingency phase. It should start as soon as a

formal cease-fire is implemented, and it is restricted by the availability of resources in the country. The agreements state that, immediately after a cease-fire is implemented, the government will exert itself, refurbish social infrastructures, and fulfill needs in the areas affected by the conflict and of the people who have suffered the effects of violence. This phase will start on 2 February because the formal cease-fire will be implemented on 1 February and, like I said, it is restricted by the funds currently available to the Salvadoran Government: 116 million colons.

The other phase is called the midterm phase. Given the type of projects to be implemented, some of them might last one year. The most complex ones, however, particularly those dealing with the reconstruction of major infrastructures, could last up to five years. The reconstruction plan is currently being revised and will undergo its most essential transformation and revision this month. First, the reconstruction plan includes all the latest agreements reached in New York, particularly on agrarian issues and other important topics now being added proportionately to the reconstruction plan. Another issue will undergo an in-depth revision this month, as stated in the agreements. Talks will be held with FMLN members to present the reconstruction plan and hear all of their observations and recommendations. We will add their pertinent observations so they may help in the national reconciliation and reconstruction. Also, a technical revision is being made to the plan and all the projects that comprise the plan.

The overall needs for the reconstruction plan within a five-year period have been initially calculated at approximately $1 billion. This amount certainly requires mobilizing international cooperation, and we know the Salvadoran Government must exert itself to the utmost. It will obviously count on the cooperation of the friendly countries and international organizations that finance the country's needs and are prepared to support national reconstruction.

Given that the contingency plan starts immediately, I would like to briefly explain the type of projects that will be carried out within this phase. As I said, the amount to be used in this phase is limited by the availability of resources—116 million colons. The type of programs to be carried out include, first of all, a national unity campaign. This is also part of the negotiations and agreements.

Support will be given to the municipalities so they may proceed with the issuance of documents to the citizens. It will include training programs in the production sector, short training programs that give people the opportunity to find jobs, resumption of education services, special education programs and psychological support programs, programs for children who have suffered the consequences of the conflict, programs to establish education levels, teacher appointments, vaccination drives, resumption of health services, programs to provide care for crippled people, basic infrastructure improvement, job creation through the municipalities and the social investment funds, programs to provide incentives to production activities, and production credits and support for the production plans of nongovernmental organizations.

There is another group of projects to protect the environment. These are basically small, community-based plans: a program to repair rural roads and all the programs dealing with the land, including inventories, for a subsequent implementation of the agreements. The initial phase includes the participation not only of government organizations but also local government officials and nongovernmental organizations. I want to report that a fund has been created, and part of the 116 million colones are readily available to support nongovernmental organizations that want to implement production and social projects. The only condition for this is to present the plans they want to carry out within the reconstruction plan. Such plans must be done in communities that are included in the reconstruction plan.

I believe I have briefly given you an idea of all the reconstruction plans that are being revised this month. Thank you.

[Moderator] Do you have any more questions regarding Planning Minister Marquez' statement?

[Reporter] [Question indistinct]

[Marquez] The only funds available are those we mentioned—116 million colones. We have been holding talks with various agencies and friendly countries, and we already have some figures planned. For example, we believe that the IDB could contribute with $100 to $150 million for reconstruction. Other countries have already expressed their desire to help with specific amounts, but we must wait for those offers to materialize. For the time being, I would prefer to say that the funds available at this moment are only 116 million colones.

[Moderator] Thank you Minister Marquez. President Cristiani will now answer questions. We will begin with Deborah Hans of Teleprensa.

[Hans] Mr. President, there is concern about Major d'Aubuisson's health. In recent statements, members of ARENA [Nationalist Republican Alliance] have said that he is the party's top leader. What will happen to the party if he dies in the next few hours? Who will replace him?

[Cristiani] Maj. d'Aubuisson has no official position in the party organization. He was appointed honorary president some years ago, and he acts as such in that whomever is appointed honorary president can participate in all activities. Of course, Maj. d'Aubuisson is a very important player within the party. He is an inspiration for many party members because of his achievements during the years of conflict and his contributions to the democratic process. Logically, he will be missed,

but I do not believe that ARENA will face a crisis, because it is a well-organized institution, and therefore will continue its work.

[Moderator] Victor Manuel Castillo of Reportes del Momento.

[Castillo] Thank you. Good afternoon, Mr. President. First I would like to ask you about government plans to counter the increase in crime, particularly in San Salvador. My other question is: Where and when will the reconstruction plan begin?

[Cristiani] We have been coordinating actions with the National Police and the Deputy Public Security Ministry, based on the theory that with the end of the armed conflict, many members of the National Police will not be assigned in other areas and will be exclusively dedicated to security and public order activities. You may have read in the morning newspapers about operations against criminals. A photograph of a group was published. All crime-related institutions have been instructed to reinforce controls.

Regarding the reconstruction plan, it will begin on 2 February. There will be three simultaneous ceremonies in Chalatenango, Cabanas, and Morazan.

[Moderator] Jorge Alvarez of DIARIO LATINO.

[Alvarez] Mr. President, 12 members of a cooperative in Jiquilisco, Usulutan, were captured on 28 January. Will they benefit from the upcoming changes that will go into effect on 1 February? How will the law apply to them when it is claimed that this farm was not forcefully occupied but was already part of the agrarian reform?

[Cristiani] This kind of violation of the law has nothing to do with political crimes. We have called on an indefinite number of people not to play the game of the agitators who try to forcefully and illegally occupy land. As stated in the agreement, the government has reserved the right to enforce the law on those who violate it, especially regarding land occupations. Property must be protected in our country. This was nothing more than an attempt to create problems, and we will no longer tolerate illegal land occupations.

[Moderator] Antonio Mineros of the "Up to Date" newscast.

[Mineros] Good afternoon, Mr. President. On 29 January one of the daughters of Dr. Francisco Guerrero, president of the Supreme Court of Justice, said FMLN members did not murder her father. She said she suspects it could have been people who wanted to prevent, in one way or another, further revelations of the investigations that he had conducted on the Jesuits' case. She said she spoke with her father days prior to his murder and he told her he already had a lot of evidence regarding who murdered the Jesuit priests; he was murdered only days later. We would like your opinion on this and on whether [words indistinct] could be linked.

[Cristiani] I do not know what documents or information the daughter of Dr. Guerrero might have. However, I believe the justice tribunals are there to solve this kind of case. The only action related to Dr. Guerrero's murder was the capture of a person who was injured during the attack on Dr. Guerrero. If I remember well, he confessed to belong to the Farabundo Marti People's Liberation Forces [FPL]. Nevertheless, I believe the tribunals should deal with any additional evidence, should there be any.

[Moderator] Walter Martinez of (YSUCA).

[Martinez] [Question indistinct]?

[Cristiani] Mrs. Marquez stated that the plan specifies there will be a presentation during the first half of February, and we will welcome their observations and recommendations to take them into account. However, this is a government program and will be implemented by the government.

[Moderator] Mario Rosenthal of the NEWS GAZZETTE.

[Rosenthal] The only point within the Chapultepec agreement [words indistinct] is the article stating that the incorporation of the FMLN as a political party will be legislated by the Assembly. I am not sure whether these are requisites that the Electoral Council can change. or whether they are in keeping with the law [words indistinct] constitutional situation of this article?

[Cristiani] We were very clear throughout the entire process about the demands of the legislative branch. We realized that, as the executive branch, we could not meddle with the legislative branch because it is independent. If you read the paragraph immediately above the signatures, you will see a comment in this regard. According to that comment, the government committed itself to submitting proposals to the Assembly, which is empowered to accept or reject them and, in this case, explain why it is rejecting them.

We believe it is advisable to give the FMLN the facilities they need to become a political force. If they do this as quickly as possible, we believe they will then forget violence more easily and develop as any other political force in the country.

The agreement states that we will try to promote legislative measures to make it easier for the FMLN to become a political force, but this does not tie up the Legislative Assembly.

[Moderator] Maria Elvira Salazar of the "Univision" newscast.

[Salazar] In addition to the day the peace agreement was signed in Chapultepec, 31 January will be historic, because the men who carried out the war for the past 12 years will be able to enter the country. I would like you to tell us what, in your opinion, is the impact they will have on the country's political life? Will the activities of the

five people who headed the FMLN from outside the country be restricted? How do you think the people will receive Joaquin Villalobos and Jorge Shafik Handal, who many believe have caused the violence in the country? What do you think will be the climate in the country in the coming three or four months?

[Cristiani] We want the FMLN to become an unarmed political force and hope that they will do so eventually. In our country there is constitutionally space for all political forces to act as such. National reconciliation will be in effect on 1 February. They will arrive on 31 January to attend the installation of Copaz [National Commission for the Consolidation of Peace]. UN Observers for El Salvador [ONUSAL] and diplomatic sources will protect other guests coming to the Copaz ceremony.

A few minutes ago I commented to one of your colleagues that the event is very important. At the Copaz installation, two FMLN members, Joaquin Villalobos and Roberto Roca, who have been outside the law up to now, will be sworn in. They will swear to uphold the Constitution and the laws of the Republic. This is of great importance and a positive advancement. It means that the FMLN and its members are legally participating in Salvadoran politics.

We have to complete disarmament. Once we attain disarmament, the FMLN will be able to openly participate as a political party. Rebels should not continue to possess weapons, because it is legally contradictory to participate in politics and, at the same time, be a group of armed rebels.

All these events may cause some surprise and expectations at the beginning, but they are completely normal. The return and reincorporation of the rebels into the country's political, civilian, and institutional life is something that was stipulated when we signed the agreement in Geneva. The return of the rebels to participate in the country as an unarmed political party should not come as a surprise to anyone.

[Salazar] [Words indistinct] for the five of them?

[Cristiani] The rebels appointed members of their General Command to the commissions formed according to the agreement. These commissions are Copaz, the commission on the cease-fire, and other commissions to be formed. The National Reconciliation Law states that these people can now come into the country and act as citizens.

[Moderator] The question will be posed by Raul Monge Hernandez from Cadena Radio Centro Dallas.

[Monge] [question indistinct]

[Cristiani] It depends on how far we must go to reactivate our economy. Our economy has had positive growth over the past two years. It was not a very high increase but, under the circumstances, it was a genuinely positive movement in the right direction.

Once the conflict ends, we will have greater growth because we will not have groups adverse to our development. We will have security, and I believe that this will bring investment and development, which means reactivation.

Of course there is still a long way to go. Our rate of growth in 1989 was similar to what we had in 1960. This means we must rebuild a country that has regressed 30 years. We cannot expect this to happen in a year's time. I believe the rate of recovery will be more dynamic and visible from this period on. I believe we will start to have jobs based on the investments to be made. We already know of several firms that will start to expand and implement investment programs. This means more jobs and more production in the country.

We will recover at the rate in which we consolidate peace in the country. I mean, the climate is the basis for the country's recovery. We have a relatively stable economy. It is now basically healthy. We are ready to develop. How long will we take to recover and reach the level we had in 1960? I do not believe we will recover in a year's time, much less in 30. [sentence as heard] This is not a matter of months or a year. It will take three, four, or five years. However, I believe that the country should know that our recovery is virtually assured now that we have attained peace.

[Moderator] Maria Dolores Alciaq, UNOMASUNO.

[Alciaq] Obvious changes have quickly taken place around the country since the Chapultepec accords were signed. In your opinion, what is the most prominent change that has taken place in the country?

[Cristiani] I think that it is the people's attitude. I see happier people, people who no longer feel what affected them for many years—violence. They now feel more tranquillity, more security. The same goes for the normalization of certain things that no longer exist in the country. I am quite impressed by the people's attitude because, I repeat, you see them full of hope and they are happier now.

[Moderator] Joaquin Ibarra, LA VANGUARDIA.

[Ibarra] Mr. President, two questions if I may. First, I would like you to give a political assessment of Maj. Roberto d'Aubuisson's role. He is a controversial person because some consider him a national hero, while others accuse him of organizing the death squads. What has been his role in the peace process since you assumed the Presidency? Did he sponsor it, or did he oppose it? Second, are you concerned about the fact that police contingents will soon arrive from countries that do not exactly have a good record as far as their police corps go? I mean they have a history of accepting bribes and such.

[Cristiani] Regarding the first part of your question, I want to tell you that I have been close to d'Aubuisson since I started in politics, and I believe he has struggled to create political opportunities and seek democratic solutions in the country. He obviously has the merit of

having created the political force that is currently responsible for ruling the Salvadoran people. Throughout my term, Maj. d'Aubuisson has always supported the government's plans, and he has openly supported the peace process. He has always made statements to that effect, and people who have ascertained that know that I am not lying. He always supported the peace process.

Many of the people who have known him—personally speaking, I have known him since 1984—know that he has always wanted to consolidate our democracy and work within a democratic framework to implement change in the country. These changes are based on ARENA's political platform, and that is what the government is trying to implement. I think he is also a person who has played a leading role in the country. A large part of the population loves him very much, heeds his words, and respects his views. We are sure that, as any political leader, he also has his detractors. They have tried—many times without evidence, I believe—to accuse him of many things, but they have never had the courage to step forward and prove their accusations. I believe Maj. d'Aubuission played an essential role in the country, and he is one of the people who made it possible for us to enjoy democracy in El Salvador.

Chief of Staff Declares 'Mission Accomplished'

PA3101215192 San Salvador Radio El Salvador Network in Spanish 1615 GMT 31 Jan 92

[Speech by General Nelson Gilberto Rubio, Armed Forces chief of staff, at 1st Infantry Brigade Headquarters in San Salvador—live]

[Text] Mr. President of the Republic, Commander in Chief of the Armed Forces: Before the altar of the fatherland [words indistinct] is our flag. All the commanders of the Armed Forces and our general banner are present here today. [words indistinct] I have the honor of paying tribute to the Salvadoran nation, in whose name on this solemn date the Armed Forces concludes its mission against communist aggression and in defense of the state. We have therefore fulfilled our duty and our mission of defending the sovereignty and dignity of the state, as well as the integrity of its territory. We have preserved order, general public safety, and [words indistinct] in addition to the representativeness of our democratic government. We have been able to guarantee civil liberties and respect for human rights. Furthermore, we have participated in the attainment of peace.

This mission was successfully accomplished thanks to the heroism, valor, sacrifice, and professionalism of the Salvadoran soldier. The Armed Forces, as a permanent institution of the state, at the service of the nation, is hereby ready to carry out the new mandates established in the constitutional reforms. We hereby vow that these mandates will be carried out with honor and loyalty, even at the cost of sacrificing our lives.

Mr. President and people of El Salvador: Mission accomplished.
Armed Forces [words indistinct] of the Republic
San Salvador, 31 January 1992
God, Union, Liberty
Signed Gen. Gilberto Rubio Rubio, Armed Forces chief of staff
[Words indistinct] Signed Gen. Rene Emilio Ponce, minister of defense and public safety

Minister Ponce Speaks

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[Speech by Defense Minister Rene Emilio Ponce at 1st Infantry Brigade Headquarters in San Salvador—live]

[Text] Mr. President Alfredo Cristiani, commander in chief of the Armed Forces; Mr. President of the Legislative Assembly and honorable deputies; Mr. President of the Supreme Court and honorable magistrates; Mr. Vice President; ambassadors and honorable chiefs of diplomatic missions; honorable military attaches; members of the Cabinet; members of the Armed Forces High Command; generals, chiefs, officers, noncommissioned officers, soldiers, and administrative personnel; people of El Salvador:

Now that we are immersed in a new political era and about to initiate the construction of a firm and lasting peace, the Armed Forces are in full-dress uniform to report to the nation before God, our Lord, to whom we pray as a tribute to the sacrifice and blood shed by the Salvadoran soldier.

Fatherland, we are here to proudly give you our firm and unyielding commitment. We have successfully fulfilled the mission to defend you from communist aggression. We are also talking on behalf of those who have no voice, for those who only had one life to give for you, and for those who fought for the star on our flag. Today, as peace angels, they are witnessing the blue and white of our glorious national flag from heaven.

Fatherland, there has never been any other goal but our people's wishes. There has never been a more just campaign than to fight for freedom, peace, and progress. History has given us the worst of adversity, but we never, never took hold of our weapons with greater justice, and we were never as well prepared to do so. It was an occasion on which the spiritual courage of the Salvadoran soldier was proved. As men of hope, we are determined in our minds, body, and soul for the conquest of peace, the greatest desire of our people. Our soldiers have been faithful protagonists, and if we endangered our lives, it was because we were always willing to lose them for your sacred interests. If we sacrificed ourselves and if we worked for you, it was to achieve a better future.

With our minds placed in God and with our banners high, we proudly raise our eyes. On our chests we carry

the badges of our weatherbeaten skin after abandoning the comforts of home. We have been through hard times and deprivation. We were always watching over the country's interests, even in our sleep.

We have come with the good news that a campaign has ended. It has cost us tears and blood. The confusion among the ruins has been left behind to give way to the construction of peace.

Guided by the generational command dictated by you, as decreed in the constitutional mandate, we have become a peacekeeping force so our people can harvest the fruits of democracy. Today we have come before you at this sublime moment when we can say: Mission accomplished, thanks to the strength, heroism, professionalism, and sacrifices of the Salvadoran soldier. The Armed Forces recognize in their commander in chief, Alfredo Cristiani, his courage and perseverance in successfully leading us in this campaign and in attaining peace.

Fatherland, here are your servants. We have united shoulder to shoulder as a strong barrier to solemnly receive the new mandate given to us, even at the expense of our lives. Just as we did yesterday, today and tomorrow we will defend your interests.

In this new and delicate stage in our national life, which has begun thanks to our blood and effort, today more than ever we are determined to maintain our glory, preserve independence and dignity, contribute to the restoration of our values and traditions, and preserve all the valuable assets of our soil.

There is still a lot to do, but very few things are impossible when there is diligence and hard work, when unity and determination work together, when we strive to work with dignity in an effort to be friends of mankind. Where there is hatred, we are to sow understanding. Where there is a lack of tranquility, we are to offer trustworthiness. Where there is destruction, we are to reconstruct. Where there is desolation, we are to fertilize the fields and harvest corn and beans. Today more than ever, it is not enough to have been born and raised in El Salvador to be a good Salvadoran. In this drive to consolidate peace, every Salvadoran must be an actor. No one should be a spectator. Everyone has a special mission to fulfill in the country, starting now. It is up to everyone to determine what this mission and responsibility are like. Each of us should pay tribute by working in harmony and concord, in obedience to law, out of respect for values, and on behalf of strengthening the institutional nature of the state.

In the end, the value of a state is equal to that of the individuals who comprise the state. It is the sum of the intelligence of free men. Let us turn our homeland into a place where reason prevails and happiness dwells in the heart; where we think more of spontaneously obeying the law than making laws. Although democracy has its own organization and control mechanisms, its vital strength consists of man's freedom. Let us put this freedom on a pedestal so we can watch over it and so politics and institutionality can safeguard and protect it for the happiness of men and the joy of the nation, regardless of the passage of time. For this reason, the form of government is fundamental. The essential virtues of honesty and morality and the ability of leaders, parliamentarians, and magistrates are equally important.

Democracy may have its defects, but there is no better system. Also, democracy is the only way to reveal man's inner nature so he can appear before his fellow citizens with his shortcomings and virtues, mistakes and abilities. We Salvadorans should not curse the shadows of the past. We must stay together and carry aloft (?truth) and peace. We now have what we did not have. We have yet to demonstrate what we are and what we have not been. We will trace the source of our suffering, wrongs, and mistakes. Let us bury forever our sectarian spirit. Let us surrender the cause of state-party animosities, the vain and foolish desire for revenge, our base passions, the hatred and resentment that overwhelms us, the desire for higher positions, flattering those in power, and all vices that corrupt the people's politics. All of this must disappear.

Salvadorans, there are no alternative paths. This is the only way to the true reconciliation of the Salvadoran family. Let us start all over again today. Let a thick veil cover the past. Let no fierce disagreement exist any longer. Let us tighten our ties of friendship here in Cuscatlan. Let heaven rain on our land the elixir of (?concord) and prosperity. We recognize in our people the light of inspiration. This has been and will continue to be the basis for our strength in fulfilling our mission. Eternal praise to the generous souls of those who are not with us, those courageous individuals who have implemented our people's will. From deep in our hearts, we offer to them our sense of honor and the pure homage of our gratitude and respect. Their glory will never be excessive, even if time passes. The Armed Forces will live as long as the Republic lives. Thank you. [applause]

President Cristiani Speaks

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[Speech by President Alfredo Cristiani at the 1st Infantry Brigade Headquarters San Salvador—live]

[Text] Mr. President of the honorable Legislative Assembly and Messrs. Deputies; Mr. President of the honorable Supreme Court of Justice and Messrs. Magistrates; Your Excellencies Messrs. Ambassadors and honorable heads of mission; members of the government cabinet; members of the High Command; generals, officers, and soldiers; Most Illustrious Monsignor Roberto Joaquin Ramos, military bishop of El Salvador and chaplain of the Armed Forces General Command; Salvadoran people:

As president of the Republic and commander in chief of the Armed Forces of El Salvador, we express our satisfaction and pride over the brave and sacrificial mission

our military institution has accomplished in defense of the Republic's integrity and the Salvadoran people's property. In the name of this general command, we officially acknowledge the Armed Forces' report to the nation informing us in clear and precise words that their military operation ended on 31 January and that the institution has joined the peace consolidation and national reconstruction process after honorably fulfilling the mission of safeguarding the Republic's honor and institutions.

To speak of the Armed Forces is to refer to a story that begins with the birth of our country as a sovereign nation. The Armed Forces has faithfully accompanied our people, which it has served in the various stages and vicissitudes of its history. We need not go too far back in time to show with indisputable evidence the profound interaction between the people and the Armed Forces. For a vivid testimony of this insoluble identification, we only need recall what has taken place in the country over the past 10 years, when the Armed Forces, with a special spirit of sacrifice and nationalism, bravely did everything possible so the Republic would not sink into chaos and fall prey afterward to totalitarian rule.

If we had to count one by one the heroes provided by the Armed Forces to the fatherland's honor roll, we would always fall short, because many of these heroes have remained anonymous as part of day-to-day compliance with their duties. If we wanted to place a medal on the chest of all the heroes or on the chest of their dearest next-of-kin, there would not be enough gold to mint sufficient medals. We know, however, that the men of the Armed Forces who risked or gave their lives in this patriotic mission never did it for recognition; they did it simply for the commitment to honor, with the only possible reward being the security of the men and women of our fatherland to allow them to attain a better life in peace and democracy.

The day we took office we promised that we would try our best to find, through civilized dialogue, an end to the armed conflict our people had been suffering through for many years. We began our quest for peace with realism and genuine political determination, knowing full well the road would be difficult. It required a moral force and an unyielding determination not to fear the unpredictable difficulties we would find on the way.

Without the Armed Forces's permanent, effective, and intrepid work, our democracy would not have been able to develop. Without the Armed Forces' unyielding resolve to safeguard the country's institutions within a healthy evolutionary concept, our sacred national flag would not wave as it does today: in the air of liberty as an unequivocal harbinger of hope for new generations.

The Armed Forces have sacrificed their best children in this liberation effort for democracy and against totalitarianism. This constructive and patriotic example will never be forgotten. The heroism demonstrated during the mission, which is now considered completed, will be a source of honor and pride for the institution, now and forever.

We always upheld a firm position on its legitimate and indispensable existence as an institution that has been linked historically to the life of the Republic and to the development of the country, an existence that is the product of a constitutional mandate.

During the years of conflict, the Armed Forces were developed professionally and technically to defend the state, democracy, and liberty. We are satisfied with the way the Armed Forces fully achieved its goal of protecting the Salvadoran people.

At this solemn moment, all we can do is tell all the soldiers of El Salvador, from the bottom of our heart and mind, thank you. Thank you very much in the name of the fatherland, which is still alive and sound thanks to your extraordinary effort. Thanks to you, who have never hesitated or tired, and to you who have been alert at all times, everywhere, throughout all these trying years. We pay permanent honor to our fallen heroes. To the heroes who are here now, we state our everlasting admiration and gratitude.

This morning, when the bright sign of peace shines in the sacred sky of Cuscatlan, we are moved by the idea that the mission accomplished by the Armed Forces will have a positive and lasting effect. It will benefit the country and guarantee the supreme peace about which El Salvador always has dreamed.

From the bottom of my heart, on behalf of the fatherland and the present and future generations, we want to tell you we are proud of your military behavior and exemplary patriotic spirit. We admire the bravery you demonstrated during difficult and dangerous times; you endured such times away from home while fulfilling the duties imposed by the fatherland. We also admire the professional maturity you demonstrated by civically supporting the peace process.

When the process that has culminated with peace in our country becomes history, we are sure that the Armed Forces will appear not only as the defender of the country's institutions and liberties, but also as a big builder of peace and as a contributor to the reconstruction of the Salvadoran fatherland.

We are on the doorstep of a new society founded on the basis of law, liberty, and justice. Let us work hard and enthusiastically to build a new society that we will bequeath to our children, a society where all Salvadorans will live as brothers. Let our war reminiscences serve to remind us that violence must never serve as a tool to search for political power and that only democracy offers a peaceful way to resolve our problems and to live in peace and harmony with our brothers.

Armed Forces, on this day of victory and joy, your banners wave undefeated and your soldiers have their

heads held high with dignity and satisfaction. Your victorious sacrifices have the best reward: peace for all Salvadorans and by all Salvadorans. May God bless the Armed Forces in its future missions. May God bless El Salvador. Thank you very much. [applause]

Reportage on Copaz Swearing-In Ceremony

Villalobos Speaks

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[Speech by Joaquin Villalobos, commander of the Farabundo Marti National Liberation Front, FMLN, General Command at the International Fair Building in San Salvador on the occasion of the swearing-in ceremony of the members of the Commission for the Consolidation of Peace, Copaz—live]

[Text] Alfredo Cristiani, president of the Republic; President of the Legislative Assembly; President of the Supreme Court of Justice; members of the government cabinet; deputies of the Legislative Assembly; magistrates of the Supreme Court of Justice; fellow representatives of the National Commission for the Consolidation of Peace [Copaz]; officials of the various churches in our country; representatives of the diplomatic corps; ladies and gentlemen invited to this event; Salvadoran brothers of all social sectors, [applause] religious beliefs, and political inclinations:

There is no historical precedent in Latin America for the conflict that up until yesterday our homeland was experiencing. We surprised the world with our ability to wage war with a strength unique to us Salvadorans. [applause] Thousands of our countrymen emigrated and became labor heroes by maintaining our economy with their remittances to their families. We again have surprised the world by ending a war that seemed interminable. We all should be proud of how we ended the war and of the changes that are to take place in the country. [applause] The past has been bloody, painful, and difficult. It is not and will not be easy to forget. But if we make good on our word, the past will become history sooner rather than later. It will be up to future generations to pass judgment. Changes will make it possible to advance to the future by overcoming the past. The war among Salvadorans was destined to be either won or lost by all. With the agreements, we all have won. [applause]

Although the transition will not be easy, it is wrong to believe that we are ending a military war just to start a political war, or that the agreements confirm war will be waged by other means. Those who—after 11 years of war, 70,000 dead, 1 million displaced, and a divided country—believe that they did not win for lack of time or believe that they were very near to victory, have not learned the lesson [applause] and must abandon the temptation to play with fire by encouraging confrontation through words or deeds.

This is the time for peace and reconciliation. The agreements will lead to the country's political and economic modernization. They will establish a concerted effort as the cornerstone, not only for settling conflicts but for establishing new policies in a changing world of complex social and economic realities. Whoever believes that he possesses absolute truth and is a perfect model, clinging to dogmas, is wrong. [applause] A concerted effort provides the only truth and the only correct solution. The opposite of a concerted effort is confrontation, and we know where that leads.

Political modernization implies a great revolution that must blot out all traces of coercion by the state's agencies. Political modernization implies neutrality and true independence of the state powers. This is the basis for change that will help us settle our differences through dialogue and a concerted effort. Politics no longer must be the art of deception and demagoguery; politics instead must become the true way to serve society, not the other way around. [applause]

Economic modernization implies ending the nearly feudal backwardness in rural areas. Without major changes in land ownership, there will be no development in other sectors of the economy, and there will be no stability. [applause] The reconstruction plan should not rebuild a past that brought about war but a future that can guarantee peace. There is no doubt the Farabundo Marti National Liberation Front [FMLN] has defended—and continues to defend—the interests of the poor during all these years of fighting. [applause]

The big question in many people's minds is what we think of those who possess wealth. We believe in the right to the legal acquisition of riches based on work. We believe in personal freedom. We also believe, however, that without social sensitivity, wealth generates conflict instead of development. [applause] The concept of social justice cannot be divorced from the economy. We do not believe in the monopoly of wealth and political power in which we have lived. The problem lies not in the existence of wealthy people, but in the fact that they are so few and that the majority of Salvadorans are extremely poor. [applause] As our beloved Guillermo Manuel Ungo said [applause], we must advance to a democracy with less hunger. Starting at this point, we will be able to attain a democracy without hunger. [applause]

With the end of the war, we are witnessing the first revolution ever that has not divided but united a nation and that has the support and approval of the whole world. [applause]

We have built the basis of a national project in which we all trust. Because of this project, we have ceased to have enemies; we now have political adversaries. Our differences produce new ideas and national development rather than antagonistic conflicts.

We do not ignore the fact that there are forces opposed to the agreements, to peace, and to reconciliation. On

behalf of all the dead and on behalf of everyone who made sacrifices as a result of this war that ends today, the FMLN joins the nation and the world to urge those sectors to think carefully, as Salvadorans, to join the changes that will benefit them and their children. Future generations will thank them for it.

Transition will require patience and tolerance as we gain experience in democratic culture and end the culture of arrogance and confrontation. [applause] We must learn how to use ideas to check ideas; we must not use bullets or gags against ideas. [applause]

This was a difficult war, and our front demonstrated its discipline, creativity, enthusiasm, sensibility, and sense of mission throughout. We are proud of the role we have played in the country's transformation. [applause] We are aware of the fact that we made errors, that we are not infallible, and that this is the moment to humbly admit this to the nation. [applause] We do not care if the errors of others were bigger or smaller than ours, or if they will ever admit to making them some day. We are convinced that if there is no truth and no justice, there will be no reconciliation or peace. [applause] Fear is fading in our country, and we are going to begin to enjoy the bliss of telling the truth. The front will use all its ability, energy, and enthusiasm to help forge the new institutions in the country's reconstruction and to develop into a new kind of political force with popular support and with broad social and national representation. We are going to defend the agreements at the side of all of those who believe in peace. We are going to unite forces to build the honorable future about which our forefathers and all the martyrs of this war dreamed. This has been the most noble cause of our history. It was worth dying for, and it was worth signing the peace agreement.

As our national anthem states: Our greatest glory is to safeguard this peace. [applause]

We Salvadorans are special people. We have passed the most trying test of our history with flying colors, with the spirit that our national poet, Roque Dalton, clearly describes in his "Love Poem" [applause]. Dalton describes the Salvadorans as jacks of all trade, as all-kind-of-food eaters, and as will-sell-anything salesmen. Let us work for the future to stop being the saddest people in the world and to start living happily in peace. [applause]

We ask all our fellow countrymen who are no longer with us to intercede with God to make possible the miracle of democracy, justice, and peace. Let us get to work, Salvadoran brothers! [applause]

Party Leader Speaks

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[Speech by Ruben Zamora, leader of the Democratic Convergence, CD, at the International Fair Building in San Salvador on the occasion of the swearing-in ceremony for members of the National Commission for the Consolidation of Peace, Copaz—live]

[Text] Messrs. presidents of the three supreme branches of the state; Mr. Vice President; honorable members of the cabinet; Supreme Court of Justice magistrates; Messrs. bishops and Protestant ministers; honorable diplomatic corps; special guests; National Assembly deputies; National Commission for the Consolidation of Peace [Copaz]; ladies and gentlemen:

In the history of all nations there are moments that become symbolic. Today we are experiencing one of these moments. Never before has such a large and broad representation of society met in such a limited space on our national territory. [applause] Never before could we have said what we can say today with national pride and Christian hopes: We are here for the first time united for the sake of one single and common purpose. [applause] We are united to initiate a new era and a new page in the fatherland's history. We are here to be sworn in as members of Copaz and to begin working on our national territory.

The Democratic Convergence [CD], which is composed of the National Revolutionary Movement, the Social Democratic Party, and the Popular Social Christian Movement, wants to comment on the political nature of Copaz and on the challenges that lie ahead.

Copaz is a new kind of institution. It was born out of the war, and in its heart it carries the bitter lesson learned throughout that period: No one and no political force can govern by forcefully imposing themselves on others, and no individual or social sector can lead this society if they want to benefit from the wealth it generates without taking the rest of the people into consideration. We had 12 years of war because that was not understood The way Copaz is composed, as well as Copaz' mandate, are an expression of this true situation. Copaz acknowledges there are different forces and urges all of them to overcome our historic failure to live as brothers. Copaz formally and realistically speaks of a new kind of politics that promotes and favors dialogues and fraternal and broad debates. That kind of politics does not retreat from different points of view and instead assumes they exist and tries to unite them through agreement. That type of politics makes all the forces equally responsible for whatever decision is adopted.

In sum, Copaz is the institutional expression of a policy that we, as members of the CD, have been proclaiming since 1989: a policy of national agreement. Today we have the historic opportunity to turn Copaz into the political force through which we may identify our particular legitimate interests and curb them for the sake of the national interest. As part of this collective effort, we are going to participate in the implementation and supervision of the peace agreements. As CD sees it, Copaz will find its main challenge in the social and the political fields.

Politically, our task is to build democracy. We must contribute to the demilitarization of our society. [applause] We must eliminate impunity and the predomination of force over law from all civilian and military institutions. [applause] Demilitarization means redefining the role the Armed Forces are to play in politics, and at the same time, and with equal emphasis, it means that civilians are to learn how to abide by the law without claiming any kind of privileges.

The expansion of democracy means Copaz must study the public security matter to guarantee all Salvadorans their right to live free of criminal threats or attacks. We cannot allow ourselves to repeat the past, because right now there is no single Salvadoran family that has not been directly hit by political repression and violence. Let us not fall into the sad situation of having all our families become victims of common criminals. Because of this, Copaz must supervise and contribute in all the steps adopted to build and to deploy the new National Civilian Police [PNC]. [applause]

In the social sector, Copaz must tackle two priority tasks. One is compliance with the social and economic agreements, especially those concerning the distribution of land in the areas of conflict. The second priority will be, in our opinion, the situation of the disabled war veterans. [applause] These disabled veterans, both of the Farabundo Marti National Liberation Front [FMLN] and the Armed Forces, are the true living heroes of this war who will daily remind us of the tragedy we endured. [applause] If we were to ignore them, we would not only be committing a horrible injustice, but we would also be condemning ourselves to repeat this tragedy.

Fellow citizens, the moment we are living through is not gratuitous. It has been made possible by thousands and thousands of workers, peasants, and employees who have worked without receiving any reward and because thousands of Salvadorans have lost either their lives or their health to repression and war so we may speak today of peace, democracy, and social justice. [applause] We who are here are the fortunate ones, the ones harvesting the fruits. We are here because many of our brothers, on both sides, died. That is why this morning Monsignor Romero [applause], Enrique Alvarez, Quique Barrera, and our companeros who led the Revolutionary Democratic Front are here with us. [applause] Mario Zamora, Emeldie Orellana, Guillermo Ungo, and Hector Oqueli are with us. [applause] Our friend Dr. Pecorini and our political opponent, Chacon, are with us. [applause] All the FMLN fighters and all the soldiers of the Armed Forces who have fallen in this struggle are with us. [applause]

Dear fellow countrymen, this morning we have with us our painful and also glorious history looking at us and pointing the way. Above everything is God, who knows what is deep in our hearts and who is urging us to move forward with His help and the strength of all the Salvadoran people.

Thank you very much.

ARENA's Calderon Speaks

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[Speech by Armando Calderon Sol, president of the Nationalist Republican Alliance, ARENA, at the International Fair Building in San Salvador on the occasion of the swearing-in ceremony for members of the Commission for the Consolidation of Peace, Copaz—live]

[Text] Alfredo Cristiani, president of the Republic; Roberto Angulo, president of the Legislative Assembly and deputies; Central American Parliament deputies; Dr. Mauricio Gutierrez Castro, president of the Supreme Court of Justice and magistrates; Francisco Merino, vice president of the Republic; ministers and deputy ministers; ambassadors and charges d'affaires; members of the National Commission for the Consolidation of Peace [Copaz]; Salvadoran Archbishop Monsignor Arturo Rivera y Damas; delegates of other churches; representatives of international organizations; members of the dialogue commissions; members of the media; distinguished special guests; ladies and gentlemen:

I have come here as president of the Nationalist Republican Alliance [ARENA] to be sworn in obedience to the law that created the National Commission for the Consolidation of Peace. By the express mandate of this law of the Republic, ARENA designated its representatives to this commission, which will play a very important role in the process of securing and consolidating peace in our beloved homeland. Our party agreed to participate in this commission because of the party's interest in the termination of the armed confrontation through dialogue. ARENA's clear and firm stand was made known when the party publicly announced its desire for the armed conflict to be terminated through a national peace proposal.

Our party was sure that the joint actions of all political, social, economic, and cultural sectors of the Salvadoran people, as well as the political parties, would attain the greatest of goals: peace. We insisted on our goal and continued our efforts while disregarding the opposing voices of those who considered our valuable objective unattainable. We thought it over and concluded that it was necessary to attain power and silence the guns to turn our desire for peace into a reality. We also saw that the approval of the people who voted for us in the elections was necessary. In this way, we decisively climbed to a position of public power.

ARENA's men and women have in the Legislative Assembly and the executive branch fellow party member Alfredo Cristiani, [applause] president of the Republic. Cristiani should be credited for striving for and attaining peace through agreements that favor the establishment of a genuine state of law and order for the Salvadoran people. [applause] The agreement relative to Copaz, which will be established formally today, sums up and

represents the spirit of conciliation necessary to complete this stage in the pacification process. The incorporation of this agreement into the country's legal system is indisputable proof of the conciliatory spirit that prevailed historically when the Chapultepec peace agreements were signed.

On this memorable day when we are creating Copaz by swearing in its members, I, as the Arena representative, must express the party's stand regarding the necessary formality of the swearing-in ceremony. This is a commitment to history and to our children to establish order and respect what is right.

We are ratifying before the world our rejection of violence as a means of resolving our differences. We reaffirm our unyielding commitment to consolidate a firm and lasting peace.

We also have a legion of friends, companeros, and fellow countrymen, who are watching us from beyond and can see that we have achieved reconciliation. We must tell them their blood has not been shed in vain and our nation, which has now been restored, will never forget their sacrifices. [applause]

Peace cannot only be understood as the silencing of rifles. It is the rapprochement of the different sectors, understanding, tolerance, and solidarity that should become the strongest pillars of the country's reconstruction.

Finally, I hope that God will protect this union, and I hope He will allow the wishes of peace, progress, and freedom to become a reality in our country today and forever.

I could not end my speech without mentioning our founder, Major Roberto d'Aubuisson. [one minute of applause mixed with boos] He has been a tireless builder of democracy. [applause and boos] He has tirelessly supported the peace process in our dear fatherland.

Fellow countrymen, may the Savior of the world, the God of all nations, shine upon all Salvadorans. I ask you to pray for His protection. Thank you very much. [applause]

Cristiani Marks Beginning of Cease-Fire

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[Speech by President Alfredo Cristiani at ceremony marking the implementation of the cease-fire agreement at the Monument to the Savior of the World in the Las Americas Plaza in San Salvador—live]

[Text] Mr. President of the honorable Legislative Assembly and Mrs. Angulo; Legislators; Mr. President of the honorable Supreme Court of Justice; Magistrates; Mr. Vice President of the Republic and Mrs. Merino; most excellent and reverend Apostolic Nuncio; most excellent Ambassadors and honorable heads of diplomatic missions accredited in our countries; members of the cabinet; Municipal Mayor and Head of District of San Salvador and Mrs. Calderon Sol; most excellent and reverend bishops; representatives of political institutions; distinguished personalities; the honorable Jose Luis Rodriguez [Venezuelan singer]; civilian and military authorities; dear compatriots:

Today we are gathered at the Monument to the Savior of the World, the patron saint of the Republic, to pay collective tribute to the benevolence of God, who has granted us peace, the most precious of his gifts. This splendid morning of 1 February 1992 will remain in the country's historic memory as a stellar moment, marking not only the formal and permanent end of the armed conflict but also the beginning of the era of national reconciliation within the framework of the broad consensus that was generated by the peace agreement signed in Mexico on 16 January.

We are not going to insist on remembering the painful events that have taken place in our fatherland in the decade of confrontation. We do want to emphasize something that we mentioned in our address of 16 January. On that date, we mentioned that the peace we are beginning to enjoy has no precedent in this country. It is a new, young, vigorous peace that is emerging from the blessed need that we Salvadorans feel to overcome our differences by peaceful, rational means so social coexistence will respond to such elevated and basic principles as solidarity, fraternity, justice, legality, and mutual respect.

Peace has to take root in the minds and resound in the hearts of all Salvadorans. This is the right time to make an enormous, deep-seated effort to overcome hatred, rancor, and indiscriminate mistrust. We Salvadorans have the extraordinary opportunity to demonstrate, at this historic juncture, that we are capable of rising to the heights of our status as believers in the teachings of Christ, who has taught us a perfect lesson in how to live in concord. God does not want us to simply carry out rituals. He wants a commitment to understanding and love for our fellowmen to exist in the bottom of our hearts. In words that have come down through the centuries, Christ has told us: I want mercy, not sacrifice. At this time, mercy to us is called reconciliation and solidarity.

We Salvadorans have to unite to face the difficult challenges of national reconstruction. This material reconstruction that is so necessary for progress must be founded on a gigantic effort of moral and spiritual renewal. If we continue to operate from the basis of the disastrous friend-enemy viewpoint, war will continue to exist in our minds. We should eradicate it from our minds forever. The country deserves to have us all commit ourselves to its service with vigor and courage. May God be with us in this immense task. It is now up to us to safeguard the divine gift that he has granted us by means of our daily attitudes and actions.

Salvadorans, let us keep alive our faith and trust in a peaceful future for the Salvadoran fatherland. Let us continue to be worthy of the benefit of peace, uprooting from our land hatred, intolerance, lies, and arrogance. Let us allow the will of God to freely prevail within us, opening us up to reconciliation and pardon. Let us always be deserving of divine enlightenment, loving our fellowmen, respecting our adversaries, and serving the fatherland with an unyielding determination to achieve the aggrandizement of all Salvadorans. May God bless the people who carry His name. May the grace of a peaceful and loving God, in whom we have believed ever since we reached the age of reason, guide us now and forever [applause], and may this perpetual flame that we are now lighting at the foot of the Savior of the World be an augury of a new life for a people who have earned peace through so many sacrifices and so much merit. May God bless El Salvador. Thank you very much. [applause]

Minister Announces Peace Committee Members

PA0102160492 San Salvador Canal Doce Television in Spanish 0316 GMT 1 Feb 92

[Text] Oscar Santamaria, minister of the Presidency, has announced the names of the government and Armed Forces officials who form the Coordinating Committee for the Peace Process. The committee will begin functioning on 1 February.

The committee comprises Colonel Mauricio Ernesto Vargas, Oscar Santamaria, Ernesto Arbizu Mata, Francisco Merino, Mauricio Gutierrez Castro, David Escobar Galindo, Benjamin Cestoni, Mauricio Salazr, and Roberto Yap. Their responsibility is to enforce the agreements signed on 16 January, which deal with the ceasefire, reorganization of the Armed Forces, the establishment of a National Civilian Police, the electoral system, administration of justice, Commission for Truth, human rights, and a social and economic commitment.

[Begin Santamaria recording] This interdisciplinary and interinstitutional team has been formed at the highest government level to provide the required framework of credibility and trust for the peace agreements. In this way, the agreements will be fulfilled. [end recording]

Santamaria said that next week President Alfredo Cristiani will designate the official who will handle the executive portion of this responsibility. The government says that, in compliance with the agreements, these competent officials have been designated. He also said the government expects a similar action from the other side so the agreements can be fulfilled.

FMLN Leaders Arrive, Make Statements

PA0102041392 San Salvador Canal Doce Television in Spanish 0300 GMT 1 Feb 92

[Report by Fausto Valladares from Comalapa Airport in San Salvador]

[Text] The Farabundo Marti National Liberation Front [FMLN] General Command—led by rebel leaders Jorge Shafik Handal, Roberto Roca, Joaquin Villalobos, and Roberto Canas—was welcomed home on 31 January amid shouts and chanting of slogans by hundreds of the guerrilla organization's sympathizers. Ambassadors of friendly countries, UN Observers in El Salvador [ONUSAL] representatives, and leaders of social groups also welcomed them at Comalapa Airport.

At a news conference, a visibly moved Villalobos said the FMLN now faces three challenges. The first is the most important: To strive for the implementation of the agreements, he said.

[Begin Villalobos recording] We realize we have a great responsibility. We must make sure the agreements resulting from the negotiations are implemented. Second, we have another challenge: We must become a political group with the people's support. This group must represent all the social and national groups, and it must have new characteristics to meet the new conditions in the country. The third challenge is equally important. A sizable part of our members who have been fighters must contribute toward national reconstruction and become a productive part of our country's new project. [end recording]

Shafik Handal stated his optimism and said the return of the rebel leadership is a sign that the struggle ends with the social changes outlined in the peace agreements. Handal said the agreements must be implemented daily to build a peaceful and democratic country where the conditions are ripe for unity.

[Begin Handal recording] We have come back through the front door, welcomed by the Salvadoran people. [crowd shouts: Long live the General Command!] That is a sure sign that the great struggle has ended positively for the Salvadoran people. The groundwork is being established for great changes that have been outlined in the agreements. A crucial phase in our country's history has begun. The agreements must now be implemented on a daily basis. A new El Salvador must come out of all this. [end recording]

The FMLN delegation was later accompanied by motorcade to ONUSAL headquarters. Hundreds of sympathizers carried flags and FMLN insignia to greet the commanders, who returned to the country after concluding two years of negotiations with the current government.

A new chapter in El Salvador's history is about to be written. The future of justice and democracy will be built starting on 1 February. The FMLN General Command members said they are here to implement the agreements and strive for peaceful coexistence.

FMLN Leaders Oppose Reconstruction Plan

PA0202045492 Panama City ACAN in Spanish 0009 GMT 2 Feb 92

[Text] San Salvador, 1 Feb (ACAN-EFE)—The Salvadoran guerrilla "commanders" are opposed to the government's national reconstruction plan, which they consider "neoliberal" and inadequate for carrying out social improvements in the country.

At a news conference in San Salvador, the five members of the Farabundo Marti National Liberation Front (FMLN) "General Command" said the concentration and demobilization of troops is progressing normally under UN supervision.

Regarding the government plan to revitalize the Salvadoran economy, they expressed their confidence that it will be given a different direction during the talks they will hold with the government.

FMLN Commander Joaquin Villalobos said while "the government wants to invest 80 percent in infrastructure," the FMLN prefers a development plan that can solve the nation's economic and social problems and bring stability.

President Alfredo Cristiani has estimated the cost of reconstructing the country after almost 12 years of war that caused 75,000 deaths at approximately $1.8 billion and has requested, as have the guerrillas, financial aid from other nations.

According to Villalobos, "there is great concern" in the international community over how those funds, which are still being negotiated, will be used. He added that the reconstruction must be supported with development and social improvements. "There are two reconstruction plans," said Villalobos, who called for "concerted efforts" with the government in order to agree on a plan based on a national consensus.

Also present at the news conference were Jorge Shafik Handal, Salvador Sanchez Ceren, Francisco Jovel, and Eduardo Sancho, the other four members of the "General Command" that last week became the FMLN's Political Directorate.

Handal said that the party which the FMLN will become in a few months "will not have any specific traditional ideology." He recalled that the FMLN comprises five organizations—including the Salvadoran Communist Party of which Handal is a member—and that there are various opinions and ideas. He stressed however, that "there is a unanimous view regarding the programs contained in the peace agreements."

The FMLN's program is not based on a pamphlet or publication, but rather on consensus and dialogue with the political forces during the past few years that have resulted in the peace agreements signed in Mexico on 16 January. Therefore, Handal added, his organization calls for the creation of a great coalition of parties that want "a change" to win the 1994 elections. Handal and the other "commanders" said this is not the moment to guess which parties could participate in that coalition but stressed the FMLN will not go alone to the elections.

"Commander" Salvador Sanchez Ceren said the agreements reached with the Army on the process of separation and concentration of forces are being complied with normally. The process began on 1 February with the official cease-fire.

Handal said in three days the Army must concentrate its troops in 100 garrisons selected by the UN Observers for El Salvador (ONUSAL), while the guerrillas must concentrate in 50 camps two days later. The timetables, places, and procedures have been established, as well as the limits for each side, and the plan is being followed normally, he stressed. He mentioned, however, that a peasant cooperative was dislodged with a judicial order and noted that if there are more incidents of this nature in relation to other cases pending in court, "it could affect the concentration of forces."

The guerrilla commanders took turns answering journalists' questions and said there will be an "internal revolution" within the FMLN to tranform it into a democratic party, open to everyone. The transformation will be the result of debates.

In the economic field, they said the FMLN will support a pluralistic system with various types of property so cooperatives can coexist with owners of private property.

After living in clandestinity for many years, the guerrilla commanders entered San Salvador through "the front door," as Handal said when they arrived at the international airport near the capital.

Despite the security measures and guarantees they have been given by foreign governments and the United Nations and the fact that they are currently under diplomatic custody, the "commanders" said they feel fine in San Salvador. However, they could not say when they expect to return to a normal life.

Panama

Ministers Authorized To Negotiate Loans Abroad

PA3101224792 Panama City EL PANAMA AMERICA in Spanish 31 Jan 92 p 2

[Report by Orlando Mendieta C.]

[Text] The Cabinet Council authorized Guillermo Ford, minister of Planning and Economic Policy, and Treasury Minister Dr. Mario Galindo to negotiate a credit line of up to $143 million in drafts and negotiable documents with the U.S. Treasury as part of the funds that will be used to normalize relations with the International Financial Institutions (IFIS).

Likewise, the ministers are also authorized to negotiate contractual agreements to normalize credit with international lending organizations with the Federal Reserve Bank in New York, the French Government, the IMF, the Inter-American Development Bank, the International Bank for Reconstruction and Development, the International Agricultural Development Fund, and other states and banks.

The national government's debt with the IFIS and the Paris Club, which amounts to $652 million, was incurred by previous governments.

Once negotiations with the aforementioned organizations conclude, Ford and Galindo will submit the results to the Cabinet Council for discussion and approval.

The IFIS agreements also include the privatization of public services and enterprises, as well as a 9-percent reduction in the state payroll.

Minister Ford gave assurances that on 31 January, Panama will normalize its credit with international financial organizations.

Subversive Reportedly Seeks Refuge in Cuba

PA0202154992 Panama City CRITICA LIBRE in Spanish 2 Feb 92 pp 1, 25

[Article by Justino Gonzalez, Jr.]

[Text] Carlos Landero, deputy director of the Judicial Technical Police [PTJ], disclosed on 1 February that the alleged leader of the subversive 20 December Movement [M-20], Juan McKenzie—who is a fugitive from justice—left the country. There are reports that he has sought refuge in Cuba.

McKenzie, dressed only in his underwear, escaped seven months ago from the PTJ, presumably with the complicity of the detectives who were guarding him.

According to Landero, McKenzie probably left the country by way of the coasts, which lack effective surveillance and control.

The PTJ official pointed out that McKenzie testified that the M-20 documents seized from him were some sort of an initial proposal that was never implemented.

McKenzie, an electronics engineer trained in Cuba, is a member of the opposition Democratic Revolutionary Party. At the time of his arrest, he was leading a group of unemployed persons under the so-called National Council of the Unemployed.

Landero avoided giving any details on how McKenzie left the country without being detected by immigration officials. Bribery has not been ruled out.

Once his escape was known, McKenzie's followers accused the U.S. Government of having taken him to a military base and held the United States responsible for his life.

As for the M-20, Landero explained that it only exists in the "hot minds" of those who want to attack the legally established institutions.

Landero also said that the investigation of the attack against the Ministry of Planning and Economic Policy is continuing. No details will be disclosed in order not to hinder the process.

It is not known if the Panamanian Government through the Foreign Ministry will investigate the whereabouts of McKenzie in Cuba and if he entered the island illegally.

Argentina

Menem Discusses Domestic, Foreign Policy Issues

PY0302021492 Buenos Aires TELAM in Spanish 1126 GMT 1 Feb 92

[Excerpts] Mar del Plata, 1 Feb (TELAM)—President Carlos Menem said tonight that the decision to open the archives on the search for Nazis to all Argentine people and international organizations was made "at the request of the Jewish community."

During a news conference this evening shortly after 2030 at the tourist resort of Chapadmalal, Menem confirmed that he will leave this city tomorrow at noon and travel to Santa Fe, where he will watch the 19th Santa Fe-Coronda International Water Marathon.

Changing the subject, Menem said, "If an agreement is not reached by 3 February, if the electoral college does not meet" in Corrientes Province, "we will immediately adopt the necessary measures so elections can be held within a prudent period of time, as a result of intervention."

He added: "The mandate of the acting governor (Senator Mancini) expires on 10 February, and if no agreement has been reached, or the electoral college does not meet by 3 February, we will adopt the necessary measures so we can promptly solve Corrientes Province's problem with election of their governor and vice governor. This does not mean the people of Corrientes cannot soon organize elections for members of the Constituent Assembly to amend the Constitution, which is what has caused the difficult situation that has resulted in this stagnation at the electoral college."

Regarding the possible appointment of Francisco Duranona y Vedia as temporary intervenor of Corrientes Province, Menem said [passage indistinct] When asked whether the United Nations, through its Security Council, had requested the deployment of Argentine troops to a conflict area in the world, the chief of state answered: "There has not yet been a request. There is a chance and, if it does materialize, Argentina will be there in the same way it was in the Persian Gulf."

"Naturally, we will take into account the characteristics of the area where the peacekeeping forces will be based. We will send officers and NCO's [non-commissioned officers]. No soldiers. I am telling you this now to make things quite clear and to avoid raising any doubts. They will be officers and NCO's because they are trained to safeguard peace. They are the peacekeeping forces known as the 'blue berets.'" [passage omitted]

Menem categorically denied reports today by a Mexican daily that referred to the severing of Argentine relations with Cuba. Menem said emphatically: "There is nothing of the sort. I flatly deny that report, at least on Argentina's behalf. I do not know about Cuba, but I see no reason...."

When he was asked what it meant to him to belong to the First World, Menem answered: "It means growth, development, progress, acceptable working conditions, and stability, and it affects the implementation of all measures necessary within the framework of this freedom to safeguard justice and, as a consequence, peace. I believe this is what the First World, which is the only world that exists, is all about."

He added: "The rest are mere entelechies that make no sense but may have had some meaning during the Cold War or when the world was divided into two blocs: that is, the USSR and its partners and the Western and Christian world. That no longer exists, and I do not see reasons for continuing to call some countries this name and others that name."

Regarding his government's relationship with the labor union sector, basically with regard to the subject of the deregulation of social work and salaries, President Menem said: "The government maintains a good relationship with the most important sector of the labor union movement—that is, the CGT [General Confederation of Labor]-San Martin faction. There are some problems with other labor union sectors, but these are not serious problems. Anyway, the dialogue is open." [passage omitted]

When asked whether he was concerned about the fact that some of his government aides, such as the head of the Mint, Armando Gostanian, are involved in some sort of scandal, Menem said: "I am a very broad-minded person, but this is not an issue to be raised during a news conference with the president of the Republic. Excuse me, (he said to the reporter who asked the question) I want to tell you that this situation by no means can affect the president's image. Let us not blow the issue out of proportion. All we need now is to try to spoil the president's image with this sort of thing. Nothing of the sort..."

Regarding foreign debt negotiations, the chief of state said: "They are going well. The proposals made by Argentina were accepted positively by the creditor banks that, in turn, asked three international organizations to take these proposals into account since our country has become reliable, serious, and responsible."

"These organizations are no less than the IMF, the World Bank, and the Inter-American Development Bank. The recommendations were [word indistinct] in the sense that they support and give Argentina a positive answer in the process of reorganizing the foreign debt."

Menem added: "By 12 February, at the latest, we will probably have an answer from the creditor banks on this subject and on our $31 billion debt. In other words, we have summoned our creditors so Argentina can reorganize its finances and its production, and thus, be able to honor the debts inherited in 1989."

When asked about Argentina's relationship with the EC, Menem asserted: "Relations have always been balanced, at least during our administration. The problem is that

the United States is practically the sounding board of the world, and we have had to travel there frequently, like all presidents of the world."

"Probably the fact that we share a great friendship with President George Bush may make it seem as if there is greater rapprochement with the United States than with Europe. We must take into account the fact that in the GATT talks on customs taxes and freight, for example, the United States has a position similar to that of Argentina and the countries that are affected by very inflexible subsidy policies such as those of the EC and especially, France. This is why we are going to Europe to discuss the Argentine policy, but we are also going to discuss the need to put an end to the series of subsidies that have existed for many years, especially in the agricultural field, and that have affected developing economies such as ours."

When asked about the political dialogue being maintained by Interior Minister Jose Luis Manzano with the Radical Civic Union [UCR], President Menem said: "For the time being, the subject of a possible constitutional amendment has not been raised during the negotiations with the UCR, which have already begun."

"It should be made quite clear that this subject (constitutional reform) was not raised by justicialism; it was raised by radicalism during Alfonsin's administration in 1984 and remained open, alive, during the almost five and a half years of Alfonsin's administration."

Menem added: "The subject was brought up again by justicialist sectors and other political parties. Many of them agree on the need for constitutional reform."

"Some sectors even uphold the need to reform the article on the presidential mandate (to shorten it and allow for reelection), and I have said, time and again: I do not want to get involved because some people even talk about President Menem's personal project. What I hope for is to complete the six-year mandate and take a rest without abandoning political activity, to continue struggling from the outside, contributing to turning Argentina into a great country."

When asked about the current situation of Brigadier Jose Julia, the president of the nation said: "He remains in his post. A legal case has been opened but, for the time being, Brigadier Julia continues in his post as chief of staff of the Argentine Air Force."

Changing the subject, Menem stated: "The financial markets are functioning perfectly. Interest rates have dropped substantially. The stock market is operating smoothly, and its transactions amount to around $30 million when two years ago they did not amount to more than $2 or $3 million. There is more credit available, more stability. There is no longer unbridled speculation. We are making good progress in this regard."

About the inflation rate, Menem said: "We are no longer concerned about the slight increase in prices because many prices have also dropped. I heard an outstanding economist say that the January inflation rate will probably be around 2 percent and, as such, government estimates are completely wrong. I do not think this is so, because just as we had a 2 percent rate in January, we can have a much lower figure in February and zero inflation in the following months." [passage omitted]

Regarding the privatization process and its development, Carlos Menem said: "It is going well. The year 1992, in addition to being a year of stability and development, will be a year of privatizations. No public enterprise will go without being privatized this year."

"We will start in the defense areas with Zapla High Furnaces, then with SOMISA [Argentine Iron and Steel Joint Association], Hipasam, and Bahia Blanca Petrochemical Enterprise. All the state enterprises such as the Railway Enterprise, National Sanitary Works, State Gas Enterprise, will all be privatized. This program we set in motion in 1989 must be fulfilled this year."

Troops Offered for UN Peacekeeping Forces

PY3101170692 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1804 GMT 30 Jan 92

[Text] Buenos Aires, 30 Jan (NA)—Argentine Ambassador to the United Nations Jorge Vazquez has stated that Argentina has decided to offer two regiments that can join the UN peacekeeping force in Yugoslavia and Cambodia. In a telephone conversation with NA from New York, Vazquez said that "only a formal concurrence" by UN Secretary General Boutros Ghali is needed to send the 800-man contingent to Yugoslavia to join the "blue berets."

This first Argentine contingent made up of officers and noncommissioned officers will be similar to another regiment that will be sent to Cambodia, for which "a decision by the UN military area" still is expected. The offer was made by Vazquez himself during a meeting with Butrus Ghali, while Foreign Minister Guido Di Tella "took the appropriate steps in Canada."

Vazquez explained that "efforts are being made to create an alternative, known as operations for peacekeeping purposes." He said that the final reply will be made public "in two or three weeks."

"Ghali has asked UN members for their cooperation, and we proposed sending a blue beret regiment," he said. As for the deadlines established by the Argentine Government to send the peacekeeping force, Vazquez said that he has not yet spoken with Washington "to learn when the arrangements could begin."

He recalled that Argentina "has participated as an observer in the Golan, Nicaragua, and El Salvador." He noted that this type of operation does not imply any expenditure for Argentina. He said: "Other governments have made offers, and forces with a high-level of professionalism are required."

He said the Argentine contingent will be made up of a regiment that will be sent to each of these countries (a total of 1,600 men). He made it clear that the Cambodian issue will be addressed after the sending of troops to Yugoslavia is approved. Vazquez explained, "The objective is to participate in all world events either good or bad," because "we can not avoid the bad situations."

He said: "We have expressed our decision to participate in these peaceful initiatives," adding that the Argentine strategy "is a way to participate in the First World."

He stated: "This is just a decision to use mechanisms that have been inactive."

Foreign Minister Views Antarctic Sovereignty

PY3001161692 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1315 GMT 30 Jan 92

[Text] Buenos Aires, 30 Jan (NA)—Argentine Foreign Minister Guido Di Tella has ruled out the possibility that the Antarctic Continent can be declared a world legacy. He also stated that the Malaysian proposal on this issue "has no possibility to make progress."

In remarks made yesterday during his visit to the Comodoro Marambio Base, which were published today by a Buenos Aires morning newspaper, Di Tella agreed on the need to continue discussing the Antarctic Treaty, which places under a protective "umbrella" the discussion on this region's sovereignty that is demanded by the involved countries.

He said the Antarctic Treaty is the best way to defend Argentine rights in this southern region and that the continuity of Argentine foreign policy toward the Antarctic has benefited the country's interests in that continent.

Di Tella also said that the suspension of mineral exploitation for 50 years, which was agreed upon in Madrid on 9 October 1991 by the 26 Antarctic Treaty signatory countries, "has benefited Argentina" because it will go through better economic conditions at the time the suspension expires.

He also stated that during the international environmental summit to be held in Rio de Janeiro, Argentina will propose the need to seek "similar mechanisms" to that of the Antarctic Treaty to face problems like the greenhouse effect and the hole in the ozone layer.

Di Tella also noted that the activities carried out by more than 100 Argentines in the seven permanent bases established in the region are designed to support "Argentine interests" and to strengthen international cooperation in the Antarctic Continent. During his first visit to Antarctica, Di Tella was accompanied by retired General Jorge Leal, Antarctic Affairs Department director; Jose Maria Otegui, Foreign Ministry Malvinas and Antarctica Affairs Department director; and Commodore Ruben Zinny.

UK Official Views Progress in Bilateral Ties

PY3101221092 Buenos Aires BUENOS AIRES HERALD in English 31 Jan 92 p 3

[Interview with British Minister of State Tristan Garel-Jones by Nicholas Tozer; place and date not given]

[Text] BUENOS AIRES HERALD: What would you say have been the main success points in this visit?

Tristan Garel-Jones: As I have said, this is in many ways a routine visit. Two relatively large countries like Britain and Argentina have a lot of day-to-day business to transact as there is a steady flow of business going on. During my stay here I've been able to sign three agreements, that is if you like, the tip of the iceberg, as there is a lot of other business going on, but we were able to discuss on a whole range of subjects.

BAH: How receptive did you find president Carlos Menem and Foreign Minister Guido Di Tella in your talks?

TGJ: Very much receptive. I think good relations between two countries have to operate at every level, government level, head of government level and operate at the level of contact between individuals in those two countries. And certainly, so far I'm concerned, at government level, I don't think I could have a better relationship than the one I have with Guido Di Tella, who I think is an admirable interlocutor, President Menem couldn't have received me more kindly, and, as I said, he is in many ways the architect of the new relationship between Britain and Argentina, and I think that admiration for the way he is conducting not just the bilateral relationship between Britain and Argentina, but the way he is conducting Argentine domestic and foreign policy grows everyday.

BAH: Much has been said about the bilateral relationships between both countries and recently we've heard about a multilateral option (international arbitration over the disputed South Atlantic islands). What is the British government's view on the merits of the bilateral option and of the multilateral approach, for instance, by referring the sovereignty issue to an international body like the International Court of Justice or the United Nations?

TGJ: I don't think there is. All I can say is that we had no such proposals, either formally or informally.

BAH: Is there any merit in looking into a multilateral option?

TGJ: I don't think myself that there is any merit in doing anything that removes the issue of sovereignty of the Falklands from the safe, resting place it now has, because it is on that basis that we've made what I think is pretty good progress. I don't see any merit in removing it from that stance. But I repeat, no such proposals have been made by us or by the Argentine Government.

BAH: Talks have been held among members of the Armed Forces who went to the islands over the possibility of joining to mark the 10th anniversary. Is there any merit in looking into this, and if so, is this really something government should be looking into or is it really up to the interest of parties?

TGJ: I'm really not aware, that the British Government per se plans any events whatsoever, I'm not aware of that, so most of the events will be taking place or that may take place in the UK will be events organized on the initiative of individuals or groups or societies or whatever. As to the extent that the government may have any influence on such events, I think, we are approaching a recommendation that would probably be very similar to that of the Argentine Government itself, that we would like any commemorative events to be respectful, to be serious, noncontentious, to be conciliatory and so forth, but as I say, most of the events I'm aware of are events organized either by groups or individuals who are private citizens, and therefore it is not really a matter for us. I repeat, I'm not aware there is any formal government sponsored event that is taking place.

Cavallo Presents Foreign Debt Payment Plan

PY3101142892 Buenos Aires TELAM in Spanish 2327 GMT 30 Jan 92

[Text] New York, 30 Jan (TELAM)—Argentine Economy Minister Domingo Cavallo today presented a proposal to private bankers offering various options to consolidate the debt and arrears into bonds that include debt and interest reduction. In a climate of clear optimism, Cavallo stressed that this "is the beginning of our negotiations, and banks will give us an answer after they make an assessment of the plan in a few days."

The proposal affects $31 billion of the foreign debt, which includes $8 billion in arrears that will be consolidated by 31 December. Local observers agreed that "bankers were waiting to see the proposal with marked interest, and it was received in a favorable climate." The proposal offers two type of bonds on the arrears: The first bonds will cover 90 percent of the principal. These bonds will mature in 15 years and pay 4.5 percent interest. The remaining 10 percent will be covered by 10-year bonds, also at 4.5 percent interest, but will be totally guaranteed.

For the rest of the debt, the proposal offers a quota of up to $5 billion that will be exchanged for an equal value of bonds named Bocon [Bono de Consolidacion] (Consolidation Bond) with a 16-year maturity and a grace period of six years. During the grace period, the Bocon will accumulate interest at the Libor rate. Then it will be repaid with constant monthly payments, without guarantees on the capital or interest. This bond will be eligible for debt-for- investment exchange operations or swaps. [preceding word in English]

Cavallo said he considered that this bond will allow banks that trust in Argentina's economic recovery to recover up to 100 percent of their debt along with the increased value of Argentina's assets.

Banks that do not accept the Bocon will have four options:

1. A capital discount bond with 30 years maturity and 100 percent guarantee by the U.S. Treasury's zero-interest bonds. Interest will be set at 0.8125 of a percentage point above the Libor rate and will be guaranteed for the first six months.

2. An equal-value bond covering 100 percent of the principal with a 30-year guarantee by zero-interest bonds, a six-month guarantee on interest payments that will be set at 50 percent of the Libor rate plus 0.8125 of a percentage point, and will be payable in six months. This rate will float.

3. A bond that includes interest reductions going from 2.5 percent up to 5.5 percent in the first six years. This bond will have 25 years maturity and a six-month guarantee on interest.

4. A contract for restructuring the debt for banks that are not interested in bonds and that might find changing the debt contract more convenient.

The minister stressed: "This is the beginning of the negotiations, and banks will require a few days or weeks to assess the proposal and then we will have the counterproposals."

Cavallo said that Argentina will allot $3 billion during 1992, $3.4 billion during 1993, and $3.6 billion during 1994 to serve the debt. The minister said that some $1.1 billion of these totals will go to private banks.

Cavallo said: "The amount of payments might vary but they cannot affect the reserves necessary to guarantee the value of the peso, which is fixed by the convertibility law."

Regarding reports that banks want a cash payment on account of the arrears, Cavallo said: "We will not reject anything, as long as the measures stay within our restrictions."

Cavallo said that it was agreed with bankers to have "clear, realistic, and flexible" negotiations.

Metal Workers Stage Strike, Report High Turnout

PY3101230492 Buenos Aires BUENOS AIRES HERALD in English 31 Jan 92 p 11

[Text] (NA-DYN)—While the UOM metal workers' union carried out its 24-hour strike yesterday pushing for a 21 percent wage hike, long distance bus drivers started a work-to-rule protest measure to demand for wage improvements.

The UOM strike had a high turnout even in the Sevel car manufacturing company, where the government has

warned the strike could be declared illegal due to negotiations currently held between business and labour representatives at the Labour Ministry.

After their first 24-hour strike in two years, UOM leaders said that they could continue with their protest measures as from next week. They pointed out that more than 90 percent of the metal workers stayed at home yesterday, and almost none went to work in Quilmes, La Matanza, Villa Constitucion, Campana and Caseros.

While the business leaders accused UOM strong man Lorenzo Miguel of "breaking all possibility for a dialogue," health worker's union head Carlos West Ocampo and Movement Towards Socialism (MAS) Deputy Luis Zamora were the last in a long list of union leaders and left-of-centre politicians to express their support to the UOM strike. "This that happens today to the metal workers can happen to any of us tomorrow," said West Ocampo on leaving the UOM headquarters in the city. He predicted "a black future for unions because the solidarity ties between workers have been broken and have to be mended."

On his part, Zamora considered that the UOM strike "shows all workers the way to confront the hunger and misery plan" of the Justicialist administration. He urged the metal workers to continue their protest measures and fight against "the cruel adjustment plan designed against the workers in order to pay millions of dollars of the foreign debt."

Meanwhile, Labour Undersecretary Jesus Rodriguez stated that the 24-hour strike "is absolutely legal" and justified the Ministry's decision not to intervene in the conflict.

However, Rodriguez said that Sevel was a different question. He added that the ministry urged both sides in the Sevel conflict to choose representatives for a joint negotiating committee.

Labour Ministry sources pointed out that the Sevel managers could ask the authorities to declare the strike illegal in that factory, after which they would be entitled to fire strikers "with a cause."

In related labour developments, the bus drivers' union UTA [Motor Transport Workers Union] started at 6 pm yesterday a "sort of work to rule scheme" in long distance routes. UTA spokesmen told the press that short and medium distance bus drivers would probably start similar protest measures as from Monday, [3 February]. However, UTA deputy general secretary Roberto Fernandez said he was still hopeful on a possible solution to the conflict with the bus owners, represented by their association FATAP [Argentine Federation of Automatic Passenger Carriers].

Cesium-137 Reported Stolen From Oil Firm

PY0102014492 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2230 GMT 31 Jan 92

[Excerpt] Comodoro Rivadavia, 31 Jan (NA)—Police in this city are investigating the theft of a pellet of Cesium-137, which is highly radioactive because it is made up of plutonium, that disappeared from a local industrial plant between 27 and 28 January, although the theft was made known only today.

The report of the theft was made today by one of this city's newspapers, which gave some details of an incident that has provoked serious alarm among the population and official circles of Comodoro Rivadavia due to the hazardous nature of the stolen material. The pellet consists of a 34 kg cylinder that was deposited in the subterranean security warehouse of Western Atlas Oil Enterprise; this has led investigators to believe that the theft was carried out by employees or former employees who knew where this material is stored and how to get in. [passage omitted]

* Progress of Privatizations in Provinces Viewed

92SM0225A Buenos Aires CLARIN in Spanish 12 Jan 92 pp 22-23

[Report by Luis Ceriotto: "Sales Orders"]

[Text] The retrenchment of the public sector is spreading like a wave from the federal capital to the interior of the country, from the national government to the provinces. But what do the provinces have to sell? With few exceptions, nothing comparable to the large national public enterprises. Many provinces began with their official banks. In all of them, however, the major component seems to be government employees, who will no doubt be fired if they have not already been. This report outlines the status of privatization in three provinces: the largest one (Buenos Aires) and the ones with major energy resources (Neuquen and Mendoza).

Corrientes has already privatized the provincial water company. Misiones will transfer the billing system for water service to private operators, inasmuch as the provincial constitution does not allow it to go further. Mendoza has sold Giol, the winery that the province used to run, and is preparing to bring private capital into its two banks; this is something that San Luis and Santa Fe have already done and that Rio Negro and Cordoba are preparing to. The bus terminals in the latter province and the one in Mendoza are already in private hands.

These are not the only cases, nor will they be the last. "Cut government spending" is the order that has come down from Domingo Cavallo's office to all of Argentina. Relations between the national government and the provinces are in for some clashes in 1992, inasmuch as the former is determined to extend the guidelines issued by the IMF and the World Bank into the provinces.

Until last year the expenditures of the provinces were not a priority concern of these two financial institutions, which wanted primarily to cut spending by the national government and state-run enterprises. But the crisis that Horacio Massaccessi touched off in July 1991 between the government of Rio Negro and the Central Bank was an indication that the provinces were having trouble adapting to the retrenchment policy that the national government was pursuing, or were at least resisting it.

Whether on the national, provincial, or municipal level, the prescription is the same. It calls for getting rid of as many agencies and enterprises as possible and reducing the government payroll in local jurisdictions; according to FIEL [Latin American Economic Research Foundation] this payroll grew from 750,000 to 1.1 million between 1983 and 1990 and brought provincial finances from an overall surplus of $500 million in 1983 to an annual deficit of $1.4 billion in subsequent years.

These overall figures do not hide the fact that conditions in each province are quite different. The financing of expenditures with revenues that cannot be shared (through the property tax and the municipal levy) ranges from 57 percent in Buenos Aires to less than 3 percent in Catamarca.

The two provinces that account for most of the energy and mining resources in Argentina's subsoil (Mendoza and Neuquen) and the province of Buenos Aires (which has half of the country's population and accounts for most of its economic activity) show the same disparity in the area of assets subject to privatization as they do in their economies.

Neuquen: A Package of Assorted Items

The province of Neuquen owns several agencies that could be privatized. They are involved in forestry, mining, engineering, air transport, hydrocarbons, electric power, and drinking water; there is even a provincial railway. Jorge Sobisch's administration appointed overseers in all of them and entrusted them with one primary task: look into each case and in 180 days report back as to whether they ought to be sold off, leased, or simply shut down.

As can be gathered from remarks by the ministers of economy, Omar Zalazar, and production, Elias Sapag Jr., there is already some idea about the possible fate of each agency:

- The Neuquen Forestry Corporation (Corfone) planted 15,000 hectares of poplars and pines; in some areas the trees are ready to be felled (the profitable part of the business). The government intends to put this phase up for bids and to reserve the promotion of the business for itself. It expects to make some $9 or $10 million, which will be plowed back into new forestry plans.
- In February the Neuquen Mining Corporation (Cormine) will auction off the development of the Erika and Sofia mines, which hold 3 million grams of gold with a potential of $30 million. The government will keep five percent of what is mined.

The Campana Mahuida deposit, which contains 35 million tons of copper, will also be auctioned off to whoever offers the best investment project. An estimated $12 to $15 million will be needed to develop the mine and extract the equivalent of $10 million a year, of which Neuquen will keep 3 percent.

- The Neuquen Engineering Enterprise is in a partnership with the National Commission for Atomic Energy to build the heavy water plant. According to Sapag, the best thing that the province can do in this case is withdraw: "We do not understand what we are doing there, since we have no societal interest."
- Neuquen Air Transport (TANSE) is offering flights between provinces on aircraft that it is leasing with an option to buy. The Economy Ministry is leaning towards privatization, with the future Consolidation Bonds as the method of payment. It feels that it will have to continue subsidizing some flights that are not profitable.
- The provincial railway's days are numbered. The service that it offers between Neuquen and Zapala duplicates the Roca line, and the Sobisch administration has no intention of keeping it. The same fate seems to be in store for the Provincial Hydrocarbons Agency, which fulfills no specific function.
- The Provincial Energy Agency provides electric power to unprofitable areas of the province, and the State is unlikely to privatize it. Who is going to buy something unprofitable? Distribution in the capital city, Cutral-co, and Zapala is handled by local cooperatives.
- The situation is different with the Provincial Water Administration, which according to Zalazar is in a position to be transferred to private hands. The province installed the water mains and the treatment plant in the capital with the help of a loan from the Inter-American Development Bank, but 80 percent of the neighborhood hookups are still pending.

Buenos Aires: Two for Sale

"Privatization as a source of funds and to cut spending is less important in the province than in the nation. Buenos Aires has very few enterprises that can be privatized because its main official activities focus on social matters, which account for 80 percent of spending," asserted the province's economy minister, Jorge Remes.

For the time being the retrenchment begun by Governor Eduardo Duhalde consists almost exclusively of personnel cutbacks, once the legislature paved the legal way. Most contracts have not been renewed, and thousands of workers are receiving telegram notices of dismissal.

In any event, some enterprises and assets could be privatized totally or partially: the Bank of the Province, the Social Energy Enterprise (ESEBA), and Sanitation Works of the Province, plus some real estate worth less than $10 million in all.

- The Bank of the Province will not be privatized. The decision was made by its new president, Rodolfo Frigeri, who thus ended any speculation about bringing private capital into the bank.
- Next March, 49 percent of the share capital in ESEBA will be transferred to private hands; it was created in August 1990 out of DEBA [expansion not given], the province's previous electric-power company. Announcing this date, the head of ESEBA, Hugo Flombaum, said that 13 percent of the capital may be acquired by customers in the Stock Exchange, another 13 percent by personnel, and another 13 percent by cooperatives. The remaining 10 percent will be reserved for the industry.

There is still no news about the $1 billion in obligations that the company has to the Bank of the Province; it depends on the sale of the Luis Piedrabuena power plant, which is the property of ESEBA.

- As for Sanitation Works of the Province, its potential privatization could be taken up by the cabinet in La Plata this week.

Mendoza: The Process Has Already Begun and Is Continuing

The privatization of public enterprises is nothing new in Mendoza. Before the national government sold off Entel [National Telecommunications Enterprise] and the airline, the administration of Jose Bordon had already begun transferring Giol Cellars and Vineyards.

In January 1990 more than 5,000 growers belonging to vineyard cooperatives took over three-fourths of the enterprise's marketing and bottling facilities; this brought $70 million into provincial coffers.

Some observers were skeptical about the operation at the time, asserting that the "naive" growers were accepting a "Trojan horse" out of fear that the only winery that bought their grapes would shut down.

Events since then have proved the doomsayers wrong. The new company not only improved the former provincial system, but its members are negotiating the purchase of the remaining 25 percent of the share capital. "The reverse happened, because when the growers became the owners, they became more rational," asserts today's governor, Rodolfo Gabrielli, who was in charge of the sale as Bordon's economy minister.

His government is now preparing to sell off the rest of the enterprise (a fermentation plant and storage areas), which will bring in a bit less than $10 million.

- The next step is to bring private shareholders into the Mendoza and Social Welfare banks, which together account for three-fourths of the deposits in the market.

The law passed by the legislature in late December turned both institutions into corporations and authorized the inclusion of private capital up to 49 percent of the share blocks. This will come about within six months. How much money is involved? "It is still too early to mention numbers."

- The bus terminal in the provincial capital will also be placed in private hands, but under a lease. According to Gabrielli, the province will save $30,000 a month on building maintenance, and its brand new licensees (senior employees and the TAC company) will invest $1 million over the next two years.
- Sanitation Works of Mendoza and Energy of Mendoza State Corporation are also in the government's privatization sights. Nothing has been decided yet about the two agencies, "which are not running a deficit but are not as efficient as they could be," according to the governor. "In any event, it is our intention to lease them, not sell them off."

Large and Small Accounts

Province	Civil Servants		In Millions of U.S. Dollars	
	Central Government	Municipalities	Money Handled by Province Per Year	Earmarked for Salaries
Buenos Aires	300,000	120,000	4.2	3.6
Mendoza	39,349	12,094	No data	No data
Neuquen	29,000	5,000	396	354

Bolivia

CAF To Mediate Economic Talks With Mexico

PY0102135292 La Paz Television Boliviana Network in Spanish 0200 GMT 31 Jan 92

[Text] Bolivian Ambassador to Mexico Raul Ossio has announced that an appropriate path was found for Bolivia to begin negotiations with Mexico on joint ventures and exports.

In the past, Mexico granted Bolivia a $40 million credit that included $20 million for the creation of joint ventures between Bolivia and Mexico and $20 million to finance Bolivian exports to Mexico. But this project could not be implemented because of a number of banking regulations in the two countries. The Mexican Foreign Trade Bank, therefore, did not make the disbursements.

A solution has been found and negotiations will continue through the CAF, or Andean Development Corporation, because Mexico also is a member of this organization.

[Begin Ossio recording] It would be the simplest way to implement the program, because the CAF would charge us a very small percentage on the deals. If Mexico charges us 9 percent interest and the CAF 1 percent, users will pay only 10 percent interest. According to CAF regulations, users will be companies that request loans of $2.5 million and more. The CAF can then act as a primary bank and everything is simplified. Any loan of $1.5 million or less has to be negotiated by a primary bank, which would charge around 3 percent. It is almost a fait accompli that President Jaime Paz will sign an agreement on the issue when he visits Mexico. [end recording]

This agreement will make possible the export of Bolivian raw materials that could complement Mexican products in the Canadian and U.S. markets. Exports that would be beneficial include minerals, Alpaca wool, and timber. These aspects are considered important for joint ventures and exports.

'Important' Antidrug Agreement Signed With FRG

PY0102144292 La Paz Television Boliviana Network in Spanish 0200 GMT 1 Feb 92

[Text] The German and Bolivian Interior Ministries have signed an important antidrug agreement. The German Government will provide financial assistance to the Bolivian Government from 1992 to 1994. It will grant up to 1.5 million German marks to equip the Social Defense Under Secretariat, the Special Antinarcotics Forces, and the Interpol office for the antidrug struggle.

German Federal Interior Minister Edward Linter [name and title as heard] has stated that Germany is making efforts to help Bolivia in the antidrug struggle, noting the great significance of strengthening bilateral relations on this matter.

Bolivian Interior Minister Carlos Saavedra Bruno made the following remarks:

[Begin recording] We have always thought that the antidrug struggle would not succeed without international cooperation. I think that German, British, Italian, Spanish, and French cooperation have helped us to carry out the antidrug struggle. But, as I explained yesterday, and I think I was very clear, the matter on interdiction is part of the antidrug struggle. But the true victory will be obtained by effectively implementing the government's coca replacement policy, that is, to replace the coca economy with a solid economy.

Why do we attach importance to this type of aid? We think that economic support for alternative development will have a very positive effect only if we can demonstrate to the international community that we are determined to engage in the antidrug struggle. [end recording]

General Denies Shining Path Escape Into Bolivia

PY0102202292 La Paz PRESENCIA in Spanish 26 Jan 92 p 7

[Text] Army Commander General Oscar Escobar has reported that the Army intelligence services have not detected any "massive escape" of members of the Peruvian Shining Path subversive organization into Bolivian territory. This is how he denied reports from Argentina that a group of Shining Path "deserters" reportedly entered Bolivian territory to escape from the Peruvian guerrillas in order to go to Europe.

Escobar said that all Armed Forces intelligence and security services coordinate their work with similar organizations of other countries to maintain control over national sovereignty. He added: "There were international reports that Peruvian subversives were reportedly entering Argentine territory, but so far we have had no indications that this occurred."

Gen. Escobar said that there were several unofficial reports about the alleged entrance of foreign subversives into Bolivian territory but that the reports have not been verified thus far. He added that "several times" the Armed Forces have captured members of terrorist or guerrilla organizations who entered the country illegally. Foreigners who were captured in 1990 and 1991 were handed over to police and military officials from their country of origin.

Gen. Escobar was surprised to hear about the Peruvian citizen who was arrested in Bolivia in November 1991, and who is now in Argentina trying to provide information on the group's movement. Gen. Escobar said: "I do not know what kind of credibility anyone can give this type of individual, who provides information on terrorism."

Brazil

Arrests, Border Problems With Venezuela Reported

Venezuela Arrests 70 Miners

PY3101234292 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 31 Jan 92

[Text] Jose Altino Machado, spokesman for gold prospectors in the Amazon region, reported a few minutes ago that 70 Brazilian gold prospectors have been arrested in Venezuela. He also said that the arrest has already been reported to the Brazilian Embassy in Caracas.

'War' Against Miners Intensifies

PY0102214292 Sao Paulo FOLHA DE SAO PAULO in Portuguese 31 Jan 92 Section 1 p 4

[Report by Efrem Ribeiro, special correspondent in Boa Vista, Roraima State]

[Text] On 30 January, the Venezuelan Armed Forces and National Guard intensified war operations against Brazilian gold miners who work illegally in Venezuelan territory near the Brazilian border in Roraima State. General Gonzalo Bajales, chief of National Guard operations, said that the number of military personnel and experts from the civilian ministries increased from 1,400 to 1,700 men yesterday.

The number of helicopters in the area doubled from six on 29 January to 12 on 30 January. According to the National Guard, the number of Pilatus planes increased from four to five, and two Brazilian-made Tucano planes were added to this.

Rear Admiral Jose Velasquez Collazo, director general of the Venezuelan Foreign Ministry's Borders Department, said there are 400 Brazilian gold miners in the area who have reportedly destroyed at least 300,000 hectares of forest in the Orinoco River headwaters region.

Gen. Bajales reported by telephone on 30 January, that 36 "very powerful" bombs were dropped in the area in the last two days to destroy the encampments and equipment of gold miners who work in the border region. According to the National Guard, 68 of 90 encampments were attacked and, as of 30 January, 20 airstrips had been destroyed.

Bajales said: "We are copying the methods used by the Brazilians to destroy airstrips and expel gold miners from the Yanomami reservation." He was referring to the Free Jungle [Selva Livre] Operation, which used the same methods to expel gold miners from the reservation.

Bajales said the operation to expel the gold miners will end by April, when the Venezuelan Government will build six bases on the Brazilian border. The Venezuelan Congress has allocated the equivalent of 2.4 billion cruzeiros for construction of these bases.

Pedro Remigio Rangel Rojas, Venezuelan Army commander in chief, said these operations, which began on 15 January, are an answer to the actions "of delinquents and owners of Brazilian gold mines, who are illegally mining precious metals in Venezuela."

Rangel Rojas said: "The operation was intended to be severe and to serve as an example. We are fulfilling our duty to watch the border and preserve its security."

Iedo Soares, head of the National Indian Foundation (FUNAI) post in Catrimani 2 (300 km from Boa Vista, Roraima State), said the explosion of four more bombs dropped by Venezuelan planes could be heard early in the morning of 30 January on the Brazilian side of the border.

Venezuelan Consul to Roraima Jose Andres Perez confirmed on 30 January that four Pilatus planes invaded Brazilian airspace at the Yanomami Indian reservation. He also confirmed the destruction of airstrips and equipment at gold fields in Venezuela, 10 km from the Brazilian border. "They were flying reconnaissance flights and invaded Brazilian airspace, but this is contemplated in international agreements."

Brazilian Army Patrols Reinforced

PY3101235292 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 31 Jan 92

[Text] The Brazilian Army is going to reinforce its patrols on the Brazilian-Venezuelan border to prevent problems such as the one that occurred with the Cessna plane that was shot down on 16 January. Army Minister General Carlos Tinoco considers the attitude of the Venezuelan National Guard to have been exaggerated when it attacked the Brazilian plane.

[Begin Jorge Rondia recording] This information was released by the Army Social Communications Center. General Tinoco is the first Brazilian minister to criticize the Venezuelan action. The minister acknowledged that gold miners regularly cross the border, and he stated that the demarcation must be accelerated. He also stated that patrolling of the border by the Armed Forces of the two countries must be increased.

The Army is going to transfer a brigade from the Southern Military Command to the western Amazon, in the region of Tabatinga, and by the end of the year, it will install a 20-helicopter unit in Manaus. A brigade is made up of a maximum of 5,000 men but averages 3,000. One of these units was transferred last year by the Army from Petropolis, Rio de Janeiro State, to Boa Vista, the capital of Roraima State.

This is Jorge Rondia from the Army Ministry. [end recording]

Officials Comment on Situation

PY010223389 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 1 Feb 92

[Text] Brazilian Foreign Minister Francisco Rezek lamented the fact that the Venezuelan Government has paid no heed to the request to cease military operations along the Brazilian border. The Venezuelan Government today confirmed that 16 gold prospectors have been arrested.

This is not a war—it is merely an internal military operation aimed at defending Venezuelan territory, according to Venezuelan Ambassador Sebastian Alegrett. With the help of a map, he explained the plan to blow up all clandestine airstrips, just as Brazil has done at the Yanomami reserve. According to the ambassador, the prospectors were arrested to prevent depredation of the Amazon forest in Venezuelan territory.

[Begin Alegrett recording] Confronted with the situation, our Armed Forces must implement measures necessary to prevent depredation of the rain forest. We are the victims in this case. [end recording]

This afternoon, the Brazilian Foreign Ministry, which has been following the case closely, received information that 16 gold prospectors had been arrested. In addition to invading Venezuelan territory, they were violating a new, harsh Venezuelan environmental law. The most Itamaraty can do is try to prevent them from being mistreated in prison. In any case, according to Minister Rezek, the arrests prove that Venezuelan military men continue to operate along the border, even after Itamaraty requested a pause in these activities. Rezek said that it is possible that there may be a lack of communication between the Venezuelan Government and the military men.

[Begin Rezek recording] As may occur in any country, subordinates—those in charge of executing orders—may have temporarily lost their sense of duty to comply with the rules and instructions and lost control of whatever they have been told to do. [end recording]

The prospectors who were arrested are part of a group of immigrants who arrived in Roraima, Brazil, 15 years ago. They have been prospecting illegally for gold in Venezuela. Jose Altino Machado, spokesman for the Amazon region prospectors, reported by telephone the activities of Venezuelan troops.

[Begin Machado recording] The Venezuelan military operation is being carried out along the northern border, near Guyana, specifically in the village of Santa Helena, where President Collor met President Andres Perez. Today, there is a brigade of 1,500 men and armored vehicles. They are patrolling old prospecting sites in Venezuela that Brazilians have been working for more than 10 years, arresting people, and setting bail at 20,000 bolivares, or 400,000 cruzeiros, for their release. Itamaraty already has set up office in the area and is working to get the prospectors released. [end recording]

Rezek Says Relations 'Harmed'

PY3101224492 Brasilia Voz do Brasil Network in Portuguese 2100 GMT 31 Jan 92

[Text] The government has admitted that relations between Brazil and Venezuela have been harmed by incidents that have occurred on the border between the two countries.

[Begin recording] [Vera Lucia Camfran] Foreign Minister Francisco Rezek has spoken for the first time about the incidents that have occurred on the Brazilian-Venezuelan border.

According to the foreign minister, the two countries have been working together on the withdrawal of gold miners from the border. But, the Venezuelan Government's shooting down of a Brazilian Cessna on 17 January was unnecessary because it caused the deaths of the pilot and a gold miner and because it caused a momentary erosion in relations between the two countries.

[Rezek] The Brazilian Government does not believe that it was illegal; there is no international ruling that forbids a sovereign country from defending its airspace against an unjustified overflight by unauthorized individuals.

I believe that there still is nothing that actually justifies a formal protest. There is no doubt that there has been a deterioration in the quality of political relations and, undoubtedly, the action is out of proportion.

[Question indistinct]

[Rezek] No, the future, no. They are suffering a momentary erosion.

[Camfran] Rezek returned from a 10-day trip today. In the morning, he met with President Fernando Collor, who ordered an exhaustive and immediate investigation to clarify the border incident. A mission including a coroner and Brazilian experts is expected to arrive in Venezuela on 31 January to organize the transfer of the Cessna's pilot.

This is Vera Lucia Camfran speaking from Itamaraty. [end recording]

Incidents Reportedly 'Downplayed'

PY0102021092 Rio de Janeiro Rede Globo Television in Portuguese 0030 GMT 1 Feb 92

[Interview with Foreign Minister Francisco Rezek by Alexandre Garcia during the "Globo Reporter" program; place not given—live]

[Text] [Garcia] Minister, could your absence from Brazil during the incident on the Brazilian-Venezuelan border, and your return today, be interpreted as a downplaying of the incident? You downplayed the impact of the incident. The Foreign Ministry took its time in issuing a harsh statement. What was the reason for delaying the statement?

[Rezek] Brazil's foreign relations agenda is too broad to be swamped by border incidents with Venezuela. This agenda has several key issues that cannot be neglected because of this situation, no matter how critical and worthy of special attention it may be. We must, however, disregard the idea that things are taking longer than they should. There are no grounds for a formal diplomatic protest because the investigation is not yet over; in fact, it has just begun.

A plane departed Manaus for Caracas today. This plane will ultimately fly to Port Ayacucho. It is carrying a medical examiner, an assistant coroner, photographers, and other Brazilian experts who will work on this case together with Venezuelan experts to establish the facts.

There is one other thing that must be made abundantly clear: Brazil does not intend to condone activities that are illegal in Brazilian territory and, even more so, when carried out in a foreign country simply because the perpetrators are Brazilians. If this is what happened and, if because of these developments Brazil and Venezuela must cooperate to pacify the border and the region to prevent an escalation of accidents, it is equally true that what happened was a new development that deeply moved President Collor.

Lives were lost because of an action that seems, by every indication, seemed to be premeditated....

[Garcia, interrupting] You just watched our program, you saw some evidence that the pilot of the plane may have been summarily executed.

[Rezek] Look here, Alexandre, the Venezuelan president himself acknowledged that Venezuelan military men, the National Guard, carried out an allegedly defensive action that caused the disaster.

To say anything else at this point would be denouncing a particularly serious crime—that is, premeditated execution on the ground. If investigations lead us to this conclusion, Alexandre, the situation will be very sensitive because it will prompt a serious court case in Venezuela. Brazil has no grounds to believe that that will not be the case.

[Garcia] You mean that Brazil expects that there will be a trial if evidence is found that the Brazilians were executed?

[Rezek] Undoubtedly so. It is an extremely serious crime, an extremely serious crime....

[Garcia, interrupting] Even though they were invaders?

[Rezek] Even so, the downing itself is a serious matter, even in that case. Let us leave out the premeditated execution theory and take just the downing of the plane. Although every country has the right to protect its airspace and to prevent intruders and unauthorized people from entering it, it seems to us that Venezuelan officials were well aware of these flights, the kind of people they carry, and what these people do. They were aware that the flight was illegal, but they also knew that it did not represent a threat, an armed threat....

[Garcia, interrupting] It was an unarmed civilian plane.

[Rezek] Precisely. Thus, although Venezuela did not violate any international laws by downing the plane, it did, to some extent, undermine the prevailing atmosphere of mutual goodwill that we hope to see restored—especially if there is confirmation of the more serious theory regarding the treatment the plane received after it landed. The Venezuelan officials... [changes thought] There is no reason to believe otherwise because the attitude of the Venezuelan president and other Venezuelan Government officials leads us to believe that they are interested in a policy of goodwill that will allow the two countries to put an end to this situation, which is a constant source of incidents of this nature, a situation that should end once and for all.

[Garcia] Thank you, very much, Minister.

General Discusses Need for Nuclear Research

PY0302020492 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Feb 92 p 12

[Report by Suely Caldas]

[Text] Rio de Janeiro—The graphite reactor that the Army is planning to build in the Rio de Janeiro district of Guaratiba will not have enough power to manufacture an atom bomb, but entrusting the military with this project is justified because they need to conduct research that will train them in nuclear weapons. This is what General Romero Lepesqueur, Army science and technology secretary, said in an exclusive interview with the Estado Agency.

Gen. Lepesqueur said: "We do not want to be taken by surprise." He added: "We are concerned with defensive weapons for the time being, but whoever is technologically prepared to resist the effects of a nuclear weapon also is capable of attacking."

Physicist Enio Candotti, chairman of the Brazilian Society for the Advancement of Science (SBPC), believes that the objective explained by Gen. Lepesqueur could result in a serious diplomatic problem for the Collor administration because it violates the terms of a nuclear safeguard treaty that Brazil signed with Argentina in December.

In that agreement, the two countries committed themselves "to prohibit, obstruct, and abstain from carrying out—either directly or indirectly—or participating in any form in the testing, use, manufacture, production, or acquisition, through any means, of any nuclear weapons."

Up to now the Army has defended the project to build a reactor on the grounds that it would be used for peaceful purposes—producing electricity and testing the effects of radiation. The continuation of the project depends on

the approval of a budget totalling $30 million (37.2 billion cruzeiros) that Secretary of Strategic Affairs Pedro Paulo Leoni Ramos has not yet authorized.

Gen. Lepesqueur disclosed that the budget request was included in a report submitted to Leoni Ramos at the end of 1991 and that it was drafted by the National Nuclear Energy Program (Pronen). He added: "Since then, I have met with Leoni Ramos a few times, I have collected the funds [as published], and he has complained."

Originally, the reactor to be built by the Army's Institute of Space Research (IPE), located in Guaratiba, was meant to have a capacity of 20 megawatts (equivalent to 1/20th of the power of the Angra-1 nuclear plant), but Lepesqueur said that, due to a lack of funds, the Army proposed reducing it to five megawatts, and now it has accepted reducing it to two megawatts.

Speaking about the raw material used to manufacture the atomic bomb, Lepesqueur said: "If we had more power, we could make a bomb. But the production of plutonium with this power is minimal, it is equivalent to a few grams." If it is built, the general said, the reactor will be used as a research laboratory. He added: "In nuclear research, whoever is training to work for peaceful objectives is also acquiring training for war."

Gen. Lepesqueur stated that some civilian organizations are opposed to the idea of handing over nuclear research to the military because they fear it will be used for weapons. He said: "But we have the experience, and we have a trustworthy image." Lepesqueur added: "Moreover, if we do not know the enemy, we will not know how to fight it." Lepesqueur does not agree with the experts who state that the technology for a graphite reactor is outdated: "There are many reactors of this type being built throughout the world. It is an important step to achieve an HGTR [High-Temperature Gas-Cooled Reactor], the reactor that is under research in developed countries."

Strategic Affairs Official Halts Nuclear Project

PY0102182692 Sao Paulo VEJA in Portuguese 29 Jan 92 p 25

[Article by Eduardo Oinegue in Brasilia]

[Text] Twenty-two months ago, Secretary of Strategic Affairs Pedro Paulo Leoni Ramos, as head of the strident-voiced [arapongas] men at Planalto Palace, demonstrated he is learning fast the methods of the subordinate. In an operation completed last year using a strategy worthy of the best secret agents, Leoni managed to block the funds earmarked for the nuclear research project being carried out by the Army.

Leoni began to worry when he found out that the Army Ministry's Institute of Space Research [IPE] was planning to build a reactor to generate electricity in Rio de Janeiro. This reactor uses plutonium that can also be reused for combustion purposes but is also one of the main elements for the production of the atomic bomb. At this point, Leoni began creating a series of bureaucratic obstacles for the release of the funds and caused the bankruptcy of the only enterprise capable of supplying graphite, a mineral vital for the operation of the reactor, that is, Tecmat Company. Since Tecmat closed down, IPE stopped the project, and Leoni continued to secure the funds.

As he explained Leoni's maneuver, one of President Fernando Collor's advisers said: "We found the Army project did not have clear peaceful purposes and could generate more plutonium than necessary." Officially, the IPE was planning to build a reactor to generate electricity. The safety system of this reactor depended on a mineral, that is, on graphite. This plan had several technical problems. In the first place, a reactor that uses graphite is an obsolete product that was amply researched during the 60's and 70's. To research it now would be the same as researching television lamps when everybody already uses transistors. Moreover, the graphite used in reactors must be pure, from a nuclear standpoint, for safety reasons. Any impurity could cause the reactor to explode.

There were also some political problems. Electricity is not a matter that concerns the Army Ministry but rather the Infrastructure Ministry. To make matters even worse, the reactor could generate from 20 to 30 kg of plutonium per year. Ennio Candotti, president of the Brazilian Society for the Advancement of Science, guarantees: "That technology permits the production of enough plutonium to build an atomic bomb."

Leoni's maneuver to abort the plan was astute. He ordered Jose Luiz Santana, president of the National Commission for Nuclear Energy [CNEN], to demand that the IPE produce an authorization to build the reactor. Duly instructed, Santana would only issue the permit if the Army presented a technical report certifying the level of purity of the graphite to be used. At the same time, Leoni tried to hinder the issuance of the certificate. The only government department capable of testing the graphite is the CNEN, which delayed the tests as much as possible. In the meantime, Leoni did not give the Army one cent. As a result, Tecmat—which was created in 1989 by former Navy commander Didier Viana merely to supply graphite to the Army and which depended on the resources to continue operating—went bankrupt. Tecmat cost $18 million, part of which was lent by the Army itself. The reactor cannot operate without the graphite.

Romero Lepesqueur, Army science and technology secretary general, based in Rio de Janeiro, said: "We suspended our activities due to a shortage of resources." Lepesqueur still hopes to get the project running, although he needs $30 million for that, and Leoni does not seem willing to release that amount of money.

"If any other group purchases Tecmat, the process to neutralize the project will resume so as to make sure that the reactor does not progress beyond the drawing board," President Collor's adviser said. Leoni's efforts to thwart a project that in theory could lead to the manufacture of an atomic bomb is consistent with President Fernando Collor's nuclear policies. The president has, on various occasions, given proof that Brazil has peaceful intentions in this area. Collor threw a shovelful of lime into a nuclear facility in Serra do Cachimbo, gave a speech at the United Nations against nuclear testing, and signed an agreement with Argentina to control research in the area.

What is surprising about Leoni's contravention is the way in which it was done. With the amount of technical information available supporting the suspicion that the reactor could be used to manufacture a bomb, Leoni could have simply spoken to the president to recommend that he order a suspension of the project. Collor is the highest authority in the country and is, therefore, above Army Minister General Carlos Tinoco. Leoni instead preferred to act behind curtains, using the same code of secrecy that surrounds nuclear research in Brazil. Funds for nuclear research, for instance, are registered in the federal budget as secret appropriations, and the government is not obliged to report how the money is spent, not even to Congress. Leoni's decision only affected the Army because the funds used by the Air Force and Navy in nuclear research were not touched.

Construction of Angra-2 Nuclear Plant To Resume

PY0302003892 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 31 Jan 92 Economic Section p 1

[Report by Suely Caldas]

[Text] Rio de Janeiro—Infrastructure Minister Joao Santana on 30 January reported that construction of the Angra-2 nuclear plant will resume in the next few days, 15 years after work was begun. The plant, which is located in the Rio de Janeiro coastal area of Angra dos Reis, is scheduled to end in three years. Christian Klose, manager of the Kraft Werk Union (KWU) firm, which supplies equipment in Brazil, has confirmed this report. He believes the plant will be ready in five years.

Santana announced that he is conducting negotiations with the German Government to obtain more financing to complete the plant. Klose told O ESTADO that German banks, with the support of the German Government, will grant a $700 million credit, of which $40 million will be used this year.

As soon as construction is completed, this nuclear plant will be considered one of the world's most expensive. Construction of this plant has required $4.1 billion over the past 15 years, and it will require over $1.25 billion to begin operation. Its paralysis has cost $2.2 billion, including financing, maintenance of the building grounds and storage for equipment that was purchased and kept at the port of Hamburg.

Announcing the resumption of construction, Santana said: "It is necessary to complete the construction because there is a risk of jeopardizing the equipment and capital that has been invested so far." More than 70 percent of the engineering work has been completed, except for the assembly and testing of equipment, which are regarded as essential steps. Santana said that the Angra project will be reviewed because the government lacks the resources to finance the construction.

Courts Freeze Social Security Funds

PY0302005292 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 1 Feb 92

[Text] Labor and Social Welfare Minister Reinhold Stephanes is worried about court orders freezing INSS [National Social Security Institute] funds in certain states. The minister said that the seizure of these funds could jeopardize the payment of other benefits.

Paulo Americo dos Santos [name as heard], the INSS superintendent for Rio Grande do Norte, spent over a day in jail and was released only after he paid a bail equivalent to three times the minimum wage. In Sergipe, INSS Director Celso Dantas had to be hospitalized for high blood pressure when he received the warrant for his arrest.

Because of cases such as this, INSS lawyers spent all day in the office in Brasilia; they are working around the clock and have managed to prevent the arrest of the INSS superintendents in Minas Gerais and Paraiba States.

This afternoon Minister Reinhold Stephanes came to get a briefing on the lawyers' work. The lawyers are also working on other issues. Courts in Rio Grande do Norte and Ceara States have issued warrants to freeze INSS accounts. Any funds going into these accounts will be automatically frozen until the Supreme Court decides once and for all whether pensioners are entitled to the 147 percent increase in their pensions. The INSS offices in those states will be unable to use these funds for any payments, including water or electric bills. According to the minister, this freeze could jeopardize the payment of standard benefits.

[Begin Stephanes recording] Should funds be frozen to force the 147 percent payment, all social security beneficiaries throughout Brazil will be harmed because we will be unable to make already budgeted payments that are due on 5 February. [end recording]

INSS Officials Arrested

PY0102115692 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 31 Jan 92

[Excerpts] The superintendent of the INSS [National Social Security Institute] in Rio Grande do Norte state left federal police headquarters a short while ago. He had been arrested because he refused to pay the 147 percent [pension] increase to pensioners. Superintendent Paulo

Americo Costa was able to go home, but the warrant for his arrest is still in effect until the regional Federal Court rules on the writ of habeas corpus submitted on his behalf.

Costa was arrested yesterday afternoon and spent the day in a room at federal police headquarters. He refused to comply with a court order issued last week to pay the increase within 24 hours. The INSS is getting ready for court battles and has mobilized its legal corps to prevent superintendents who refused to pay the 147 percent hike to pensioners from being arrested.

[Begin recording] [Reporter Ana Paula Padrao] INSS lawyers will not enjoy their weekend, and Friday was such a busy day that the Brasilia legal office had to ask for help from other states. The legal staff spent the day trying to get the superintendent of Rio Grande do Norte out of jail and prevent arrests in other states through pleas for preventive habeas corpus. Courts have already issued warrants for the arrest of the INSS superintendent in Paraiba state and former INSS Chairman Jose Arnaldo Rossi, who went to work for the last time today despite the risk of imminent arrest. [passage omitted]

[Reinhold Stephanes, labor and social welfare minister] The superintendents do not have the key to the coffers; they have neither money nor authority to resolve the matter. The wrong people are being arrested. [end recording]

Courts have already granted preventive habeas corpus to the INSS superintendents of Minas Gerais and Paraiba.

Economic Team Goals in Election Year Discussed

PY3101163892 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 31 Jan 92

[Text] The government economic team will not change its stabilization goals in view of the upcoming elections. The government intends to fulfill its commitments as established in the letter of intent to the IMF.

This remark was made by National Planning Secretary Pedro Parente. According to Parente, the first surveys show that the goals established for the first quarter are already guaranteed and, accordingly, the first installment of $238 million on the loan mentioned in the agreement will be liberated on 3 February. Parente said that the inflation rate will drop in the coming months, thanks to measures already implemented by the government.

[Begin Parente recording] The government thinks that the instruments already in effect, particularly those on fiscal policy that are designed to produce a fiscal surplus, and our austere monetary policy will reduce inflation. [end recording]

The secretary said that another instrument to fight inflation was the program on exports promotion that the economic team will launch next month. Pedro Parente did not want to advance details on the program, but one of the program's purposes is to encourage more competition. Parente also said the government will not implement any sudden economic measure, that any needed correction will be discussed with the interested parties well in advance.

Article Summarizes Goals of IMF Agreement

PY0102025892 Rio de Janeiro O GLOBO in Portuguese 31 Jan 92 p 23

[Text] 1. Inflation—Inflation will total no more than 26 percent this month, 23 percent in February, and 21 percent in March. It should go down to 12 percent in June, and in December it should go down to 2 percent. In 1993, the annual accumulated inflation will total 20 percent or an average of 1.28 percent [as published] per month.

2. Growth—This year the economy will not grow. In 1993, it will grow 3 percent, and it will grow 4 percent in 1994.

3. Deficit—The public accounts can have a nominal deficit of, at most, 18 percent of the gross domestic product. The operational deficit—which deducts the effects of the monetary correction from the servicing of the domestic debt—will total 2.72 percent this year. In 1993, the country promises to have a 0.5 percent surplus.

4. Reserves—The international reserves, which currently total $10 billion, cannot be lower than $9 billion at the end of the year.

5. Public Service Rates—This year, public service rates will have true levels, and they will be at least 15 percent more than last year's rates. The government is willing, however, to increase this difference to up to 20 percent.

6. Interest—The high interests policy will continue to be implemented until inflation is under control. Restrictions on credit will also continue.

7. Salaries—Public employees' salaries will only be increased in relation to the availability of funds.

Ecuador

Foreign Ministry on Peru's Military Proposal

PA0102040492 Quito Voz de los Andes in Spanish 2300 GMT 30 Jan 92

[Report by Francisco Sanchez]

[Text] Peruvian Government official notification No. 00592 of 29 January 1992 proposes that each country reduce its purchase of weapons by 50 percent. The Ecuadoran Foreign Ministry has issued a communique in this regard noting that it sent the Peruvian Government a [word indistinct] draft some time ago. This Ecuadoran document was to reaffirm both countries' commitment to refrain—directly or indirectly—from using threat or force in their relations. The governments

would also reassert their pledge to solve all the existent problems in a peaceful manner and according to international law.

The signing of such an agreement is a basic requirement for the Ecuadoran Government to seriously consider the aforementioned Peruvian proposal. The Peruvian proposal could be discussed separately or together with the general negotiations to find a just and honorable solution to the territorial dispute, to ensure peace and development for both countries.

The Ecuadoran Foreign Ministry communique further states that there is a traditional difference in the amount allotted for military expenses in each country and that this must be taken into account when discussing the aforementioned reduction in this field.

Defense Minister Rejects Proposal

PA3101163192 Quito Voz de los Andes in Spanish 2300 GMT 30 Jan 92

[Report by Francisco Sanchez]

[Text] National Defense Minister General Humberto Jorge Felix Mena has said a meeting with his Peruvian counterpart General Victor Malca has been scheduled for some time in the future, but so far no arrangements have been made. Meanwhile, the counterproposal by Peruvian President Alberto Fujimori is under review, the officials said. Referring to a 50 percent arms reduction that was reportedly proposed by Peru, General Felix Mena said this cannot be done.

[Begin recording] [Felix] First, we must point out that the dangers threatening Ecuador have not disappeared. How can we have an arms reduction if the dangers have not disappeared, or even diminished? At any rate, we must duly study the issue once the dangers disappear. Also, it is easy to talk about an arms reduction, but the international press reported some months back—and you know this well—that the Peruvian Government allocated $500 million for the purchase of weapons. Those weapons have already been acquired. Is this the time for a 50 percent arms reduction?

In addition, a 50 percent arms reduction would not mean we would reach a balance of strength. Let me give you an example. If Peruvians have 10 weapons and we have two, a 50 percent reduction means they keep five weapons and we keep one. Therefore, the correlation of strength has not changed. We must seek a balance of strength so that Peruvians and Ecuadorans can both have security.

[Reporter] [Words indistinct] danger?

[Felix] No doubt.

[Reporter] [Question indistinct]?

[Felix] Pardon me?

[Reporter] I am talking about the dangers threatening Ecuador. I mean there are many conflicts in our relations with Peru. We cannot just talk of Pachacutec, but there are many other regions.

[Felix] A solution to the dispute must come first, and then we can consider the arms reduction. This issue must be studied. I cannot say that, once the dispute is solved, an arms reduction will follow, because the Armed Forces's mission includes internal security. We must also protect and carry out missions to provide internal security.

[Reporter] How is the situation on the border?

[Felix] Normal.

[Reporter] When you said there have not been many contacts with Peru on military matters, does that mean a meeting cannot be held?

[Felix] No. I said we have not had any contact following my meeting with Peruvian Defense Minister Gen. Malca. We did meet already in Ecuador, however, when the minister came with President Fujimori. We must still contact him to agree on the agenda, place, time, and date for another meeting.

[Reporter] What will [words indistinct]?

[Felix] Let us see what the government decides after it studies President Fujimori's counterproposal. Let me repeat, the counterproposal includes meetings of the two military commands.

[Reporter] Are the steps agreed on between the Ecuadoran and Peruvian Armed Forces being taken? Can we trust [words indistinct]?

[Felix] Have we been taking steps that were agreed upon? No, because we have not agreed on anything yet. The only thing we agreed on dealt with the possibility that the two commands may meet, but that meeting has not been held. That means no steps have been taken.

[Reporter] [words indistinct] in Pachecutec is possible?

[Felix] I asked the Peruvian defense minister to review the situation at the Pachacutec border post, because it has not been there long and is the cause of the present dispute.

[Reporter] The [words indistinct] minister said this matter was not brought up [words indistinct].

[Felix] I read or heard that he said that, but I must tell you I talked to him about this matter. I am giving you the word of an Ecuadoran general. [end recording]

Finance Minister on Reduction of Public Spending

PA0102004892 Quito Voz de Los Andes in Spanish 2300 GMT 30 Jan 92

[Interview with Finance Minister Pablo Better by unidentified reporters; place and date not given—recorded]

[Text] Finance Minister Pablo Better has pointed out that, bearing in mind the fiscal deficit, the government will have to cut public spending by approximately 15 billion sucres per month. This will have to be added to the 15 percent public spending cut already implemented during 1991.

According to Minister Better, the principal reasons for the spending cuts are the fall in the price of crude oil, the drought, and the emergency in electrical energy supply:

[Better] I would like to call upon all Ecuadorans to ask for their support. I would also like to request the media's assistance to make the country aware of what is taking place. The country must understand that we have problems and that we are doing our outmost to resolve these problems responsibly, and that all those excessive strikes, protests, and work stoppages do not help to resolve any of our problems.

[Reporter] Have any measures been taken by the government with regard to the fall in the price of crude oil?

[Better] The only measure I can take with respect to the fall in revenues would be to cut public spending.

[Reporter] What are we doing about the spending cuts, Mr. Minister?

[Better] The cuts are being implemented.

[Reporter] In all sectors?

[Better] Gentlemen, since I became finance minister, the Treasury has not spent more than it has collected. We simply cannot spend more than what we can collect from our crude oil exports, taxes, and customs tariffs. Salaries will not be cut, but there are other current expenses that will be affected.

[Reporter] [Words indistinct]

[Better] General expenses. We will have to save on such items as stationery and electrical energy and use telephones more efficiently. We will have to adjust our work to the difficult period Ecuador is undergoing. These are times for austerity and limitations. Some time ago, economist Eduardo Pachano said that there is a complete lack of understanding in Ecuador of what scarcity really means. What we have to do now is to learn how to manage the current shortage and not squander. I believe that there are sufficient resources in the Ecuadoran public sector. Without any doubt, there are sufficient resources. The real case is that we have become accustomed to squandering our resources. We have become accustomed to using the state's resources as if they were free. Public officials, starting with ministers all the way down the line, will have to discipline themselves because our resources are not unlimited.

[Reporter] [Words indistinct]

[Better] We do not want to call off any public sector investment. We have recently issued government bonds that we plan to place on the open market to finance several public projects. The Public Works Ministry has priority status in this financing, but other investments will also be financed through the recently issued bonds. This is an additional source of income not contemplated in the budget. Therefore, we will not suspend any projects. On the contrary, government authorities have met to establish priorities on projects that must be and will be carried out. We also have the stabilization fund, which is being invested in the public sector, as we had announced. We have the sources of income for investments, but we will have to cut down on expenses.

Peru

Fujimori on Ecuadoran Opposition, U.S. Aid

PA0202135692 Lima Global de Television Network in Spanish 0100 GMT 1 Feb 92

[Text] On 1 February, President Alberto Fujimori talked about Ecuadoran opposition to the Peruvian proposal to reduce military expenditures by 50 percent. He said our country has a program to replace tanks with tractors and machinery to repair roads.

The president also talked about drug trafficking and the prospective U.S. economic aid.

[Begin Fujimori recording] All our countries have a need to reduce their armaments. Regardless of the positions adopted by neighboring countries, Peru will continue in this reduction process. It will limit the purchase of weapons. We have a practical, real program to replace trucks and tanks with machinery to repair roads. In my next meeting I am going to announce the purchase of at least 22 pieces of machinery to repair roads, similar to the ones given to the engineering corps. Therefore, in the course of the next few months, we are going to replace tanks with tractors, as I told the Ecuadoran Congress.

[Reporter] Are you willing to sign the type of agreement demanded by Ecuador?

[Fujimori] It is not necessary to sign any agreement. We are unilaterally promoting this reduction.

[Reporter] Going back to the drug trafficking problem in the country, what is the situation of the drug trafficking agreement with the United States?

[Fujimori] We are waiting. The U.S. aid has not arrived. It is estimated at $84 million. We hope this aid will become a reality. We hope to talk about this at the Cartagena II summit.

[Reporter] Why the delay, Mr. President?

[Fujimori] I do not know the reasons, but I assume there are certain conditions, which the U.S. Government or probably the U.S. Legislative Branch have imposed. [end recording]

Presidential Adviser De Soto Resigns

PA3101221492 Lima Global de Television Network in Spanish 0100 GMT 29 Jan 92

[Text] Hernando de Soto, president of the Liberty and Democracy Party, has abruptly resigned his post as presidential adviser and personal representative of President Alberto Fujimori.

In a lengthy letter addressed to the president, Hernando de Soto explains the reasons for his resignation, stressing that the move is in response to differences regarding the market policies affecting many social sectors as well as a response to the manner in which the drug trafficking problem is being handled.

Explains Resignation

PA3101222192 Lima Panamericana Television Network in Spanish 1200 GMT 31 Jan 92

[Text] Former Presidential Adviser Hernando de Soto has asserted that the Fujimori administration is fighting neither corruption nor drug trafficking and has thereby created serious obstacles to efforts aimed at checking these serious crimes.

De Soto said that because of this, investors are skeptical about investing in Peru. During a news conference, he expanded on the reasons for his unexpected resignation from the post of presidential adviser.

[Begin De Soto recording] Reports about corruption and the involvement of state officials in drug-trafficking activities existed long before the arrival of the Fujimori administration. This is nothing new. This is an old characteristic in Latin America. The only thing I can say is that as long as the people in charge of discussing this issue with foreign countries, potential investors, and international organizations are not provided with evidence that Peru is adopting suitable and acceptable measures to check corruption, it will be difficult to follow the road of development because all those groups require a satisfactory report on the level of internal corruption.

I am not making generic charges. What I said in my letter to the president is that he has not given me the elements of judgment I need to have. I have not been too general. I think I have been very specific. What happened is that whenever the president reported on bills that were not approved, he said they were not passed because of particular reservations. However, I was never told what the problems were. All I knew is that a particular bill was not passed. In any case, the communication between the president and me is not efficient. However, I have no names to give you. [end recording]

Fujimori Comments on Resignation

PA3101221792 Lima Global de Television Network in Spanish 0100 GMT 31 Jan 92

[Text] While commenting for the first time on the resignation of adviser Hernando de Soto, President Alberto Fujimori said his departure does not mean there will be a change or setback in the government's antidrug policy. Although Fujimori did not want to reveal any names, he said his teams of advisers include sufficient qualified personnel to replace De Soto. The president also talked about his upcoming trip to the United Kingdom.

[Begin recording] [Fujimori] I have several advisers. One does not outrank the others, as they are all important. Just as it happens at the ministerial level, every adviser or person who is involved in the government has a specific mission. The government policy, however, has been established and that policy remains unchanged. As happened during the first reshuffling of the cabinet, the economic program—an objective of which was to incorporate Peru into the international community and achieve stabilization—was not altered. The minister may have been replaced, but the policy was not changed. The names change, but there is only one government policy.

In this respect, when we are dealing with a topic as important as the war against drugs, the policy has been well established. We will take very strong repressive actions, from every standpoint, on everything related to drug trafficking but not against those who involuntarily cultivate coca leaves. We want those people to know that we want their support. In this respect, there is no variation in policy. We will not change our policy. We are working very hard to prepare for the Cartagena II meeting.

[Reporter] Do you have a replacement?

[Fujimori] Advisers always work behind the scene. I have several of them working on this matter.

[Reporter] Was De Soto's departure prompted by very strong differences? Did he feel he lacked support?

[Fujimori] Differences always arise between two persons. We are living in a democracy. People can feel assured, however, that the antidrug policy remains unchanged.

[Reporter] [Question indistinct]?

[Fujimori] Of course.

[Reporter] [Question indistinct]?

[Fujimori] Pardon me.

[Reporter] De Soto also said corruption within the government did not allow him to work. This is what the newspapers said.

[Fujimori] Corruption does exist at certain levels, chiefly in the coca region. Everybody knows that. That is true.

[Reporter] How about the lack of support?

[Fujimori] We have been working with all available resources, but sometimes differences arise.

[Reporter] Were they personal differences?

[Fujimori] Not personal differences.

[Reporter] Do you still have a personal relationship with Mr. De Soto?

[Fujimori] I received his letter through the international mail, but I hope...

[Reporter, interrupting] Did that surprise you?

[Fujimori] I am used to surprises. [end recording]

Further on Law To Limit Presidential Powers

PA0202151792 Lima Global de Television Network in Spanish 0100 GMT 1 Feb 92

[Passages within quotation marks are recorded]

[Text] Congress has finally promulgated the law that grants parliamentary control over normative actions by the president of the Republic. The president of the Republic has made remarks about the law.

[Congress President Felipe Osterling Parody] "Congress has approved Law 7."

This law establishes general control by Congress over the president of the Republic's attribution to dictate special economic and financial measures based on Sentence No. 20 of Article 211 and Article 132 of the Constitution; to dictate legislative decrees that will have the same power of law in line with Article 188 and Paragraph 10 of Article 211 of the Constitution; to sign or to ratify international agreements, or to be associated with them, in line with Article 104 of the Constitution; and to declare states of emergency, in the framework of Article 231 of Law 1.

These decrees are in effect for a period of time established in the text of the decrees and must not be longer than six months. The decrees may suspend the ruling authority of a law if necessary. These decrees must be approved by the cabinet and endorsed by the president of the cabinet. The president of the Republic has the obligation to report to the president of Congress within 24 hours after the decree is promulgated. Once these procedures are completed, the decrees are discussed by the Constitution Commissions of both chambers of Congress, which could vote against the normative decree.

Similar procedures apply to legislative decrees and to those that order the imposing of a state of emergency anywhere in the country. If a decree deals with the ratification or signing of international treaties, such a decree is to be studied by the Foreign Relations Commissions of both chambers of Congress.

[Osterling] "Therefore, having the two chambers study the bill on which the president of the Republic has made remarks, this bill has been approved in its entirety. In line with Article 193 of the Constitution, I hereby order that the president of the Council of Ministers be informed of the approval of this law so that it may be published and obeyed. The House of Congress, Lima, 31 January 1992."

The chairman of the Senate, Felie Osterling, said that this law is not aimed at reducing presidential attributions, but at establishing a balance of power.

The chairman of the Chamber of Deputies, Roberto Ramirez del Villar, has said that this law has been approved because there is no regulation establishing that the chief of state must report to Congress.

[Osterling] "This is just an expression of the permanent search for equilibrium between the state branches, for constitutional development, and for the strengthening of the country's democratic institutions."

[Reporter] "Then there has been no reduction in presidential attributions."

[Osterling] "Absolutely. The president of the Republic functions based on the Constitution, and Congress then supervises the acts of the president. This is appropriate in a democracy and in the constitutional equilibrium of the two branches of the state."

[Reporter] "Mr. Chairman, I have analyzed this law. The president has said that this bill ties his hands. If he insists, could he appeal to the Constitutional Guarantees Tribunal?"

[Osterling] "The president, or 50,000 citizens, or 20 senators, or 60 deputies can resort to the Constitutional Guarantees Tribunal to request that a law be nullified, but I assure you that this is a perfectly valid law, that this law does not tie the hands of the president, that this involves subsequent supervision."

[Reporter] "What does the promulgation of this law mean to you?"

[Osterling] "It is very important to me, because I have struggled for this law for a long time, practically since the Constitution was approved. Therefore, this law has a very special meaning to me, as well as another pending law, which I presented some time ago, and which I will have to update. I am referring to the Statute of the Presidency of the Republic regulating the presidential functions, which are specified in the Constitution, but have not yet been properly defined. Examples of this are the cases in which the president of the Republic assumes the responsibilities of commander in chief of the Armed Forces, the president's leave of absence, presidential trips and obligations related to an official trip, the presidential oath, and cases in which the president can be judged for actions not related to his functions. There are many aspects in this draft bill that will be debated in the next legislative period beginning in April."

Venezuela

Details of Brazilian Aircraft Incident Cited

PA3101034492 Caracas Venezolana de Television Network in Spanish 1550 GMT 30 Jan 92

["Text" of a communique issued by the Venezuelan Government in Caracas on 29 January; recorded—read by Andres Eloy Blanco Iturbe, director of the Central Information Office]

[Text] National Government Communique. Regarding the Cessna airplane bearing Brazilian registration code PTVMW that crashed 16 January near Cerro Delgado Chalvot, within the borders of the Federal Territory of Amazonas, the government hereby reports that, to date, it has learned the following:

1. The airplane illegally entered Venezuelan territory, not keeping to its flight plan, and carried undeclared passengers, as stated by Brazilian authorities, with the apparent intention of transporting clandestine mine workers.

2. From the investigations conducted by the Foreign and Defense Ministries' designated commissions, it has been concluded that an Armed Forces Cooperation patrol fired several warning shots after discovering the clandestine aircraft. The shots were ignored. As a consequence of this act of contempt, other shots may have caused the plane to crash.

3. In light of these events, we ordered a serious and immediate investigation to clarify the confusing and incomplete initial reports. Misrepresentation and flaws were detected in the information. They prevented the authorities from learning in a timely and precise fashion the circumstances surrounding the incident.

The Venezuelan authorities, in a customary neighborly practice, invited a delegation of Brazilian Government representatives and kept its members apprised of the progress of the investigation.

The government will not lessen its efforts or its severe vigilance in fighting against the depredation of our national resources by so-called gold miners [garimpeiro] that results in the destruction of forests; erosion; alteration of the flow of our rivers; mercury poisoning of the atmosphere; disturbance of the Indian population; and the illegal extraction of our natural resources.

To this end, the Venezuelan Government has reached an agreement with the Brazilian Government to maintain the closest cooperation to eradicate these activities. Pursuant to this agreement, among other steps, the Brazilian Government has made a commitment to eliminate illegal landing strips in its territory close to the border.

[issued] Caracas, 29 January 1992.

Colombia Accused of Radical Stand on Gulf Issue

PA0202194892 Paris AFP in Spanish 2120 GMT 31 Jan 92

[Text] Caracas, 31 Jan (AFP)—On 31 January, Venezuelan Defense Minister Fernando Ochoa accused Colombian officials of "radicalizing" their position regarding the delimitation of marine and submarine waters of the Gulf of Venezuela.

Consulted by the Caracas press, Ochoa said he was "surprised" over the latest statements made by the "Colombian officials," adding that "this is not the best way to find a solution beneficial to the interests of both countries."

The minister said he was not aware of any future plans "to install Colombian military bases against Venezuela," although he pointed out that "Colombia may very well adopt the military measures it deems necessary, just as Venezuela may do the same in its country."

The conflict over the Gulf of Venezuela, which has seriously affected relations between the two countries for years, has generated a sour polemic in recent weeks after President Carlos Andres Perez announced the construction of a deep water port.

Perez will meet this week with his Colombian counterpart, Cesar Gaviria, who insists there is "tranquillity" in his country regarding the negotiations "because Colombia has some rights that Venezuela recognizes."

Gaviria's statements were not well received by the Venezuelan people. The 31 January editorial in EL DIARIO DE CARACAS demanded all actions of the binational commission be halted until Colombia recognizes that the gulf is of vital interest to Venezuela.

"It took only a three-hour visit for the Colombian president to deny the vital interests of that country over the Gulf of Venezuela, of which its own existence as a nation depends," the editorial stressed.

The paper pointed out that Bogota's rights over the gulf are not recognized by the Venezuelan people and that "Colombia does not have any rights over the gulf, only claims."

The editorial emphasized that "Venezuela was born in that gulf under the name of 'Province of the Gulf of Venezuela,' and has evidence to prove its historical, sovereign, and continuous ownership over all of its waters."